



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 8a**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Interim Executive Officer

**MEETING DATE:** June 29, 2015

**SUBJECT:** Study Schedule Alternatives

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**RECOMMENDATION**

The Commission is invited to discuss the staff report and direct staff with respect to possible amendments to the policy on municipal service reviews and/or study schedule.

**BACKGROUND**

In February 2008, the Commission adopted an ambitious study schedule for fiscal year 2008-09 through 2012-13 outlining the specific timeline for completion of the agency's second round of municipal service reviews (MSRs) and sphere of influence (SOI) updates pursuant to California Government Code (G.C.) Sections 56430 and 56425, respectively. The Commission amended the study schedule in November 2008, June 2010, and December 2011 primarily in response to (1) unanticipated increases in proposal activity and (2) reduction in available staff resources associated with the Commission hosting the 2011 CALAFCO Annual Conference at Silverado Resort. Additionally, two separate vacancies in the agency's Executive Officer position further reduced the Commission's ability to meet the adopted study schedule timeline.

**DISCUSSION**

The Commission's existing MSR policy states, "*The Commission may also amend the study schedule to add, modify, or eliminate calendared municipal service reviews to address changes in circumstances, priorities, and available resources.*" It is therefore within the Commission's authority to direct staff to amend the policy in recognition of recent changes in available resources associated with the departure of the agency's Executive Officer in December 2014. Additional language in the MSR policy may also warrant amendments if desired by the Commission. Further, the Commission's adopted study schedule may warrant amendments given that many studies are past due.

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## **SUMMARY**

Staff has explored alternatives to the status quo that would allow the Commission to complete its second round of MSRs and SOI updates pursuant to the requirements of G.C. Sections 56425 and 56430 (current progress included as Attachment Three). This includes conferring with LAFCO staff in other counties to discuss available options. Other LAFCOs typically perform their studies through a combination in-house staff resources coupled with outside consultants. It is important to note that following their first round of studies, many LAFCOs do not prepare subsequent studies for each individual local agency within their jurisdictions. A summary of alternative LAFCO models is provided below.

### Orange County

Extensive first round of MSRs and SOI updates resulting in agency fatigue and lack of interest among the majority of stakeholders for subsequent comprehensive updates. Orange LAFCO performed minimal information collection and analysis during their second round of studies. Orange LAFCO's third round of studies involved grouping all agencies according to previous MSR determinations and found the majority of agencies do not require comprehensive updates. This third round of studies resulted in the re-confirmation of earlier MSR determinations and re-affirmation of existing SOIs for most agencies within Orange County.

### Sacramento County

Focused first round of agency-specific MSRs. For the second round of studies, staff uses an MSR request for information worksheet and questionnaire that is distributed to each local agency. Staff works closely with each agency to ensure that accurate and complete information is provided to the Commission. MSRs inform the need to perform a comprehensive SOI update. In general, no comprehensive SOI update is needed. SOI updates are typically performed in conjunction with large development projects that require annexation.

### Yolo County

Uses a checklist format to determine level of information needed for each local agency in updating their MSRs and, as necessary, SOIs. For any agency in which the MSR concludes there is no need for a comprehensive SOI update, Yolo LAFCO adopts a resolution making an explicit determination that no SOI update is necessary for the affected agency. This allows Yolo LAFCO to better utilize and prioritize their limited staff resources while continuing to meet legislative mandates.

With the LAFCO models described above in mind, staff has identified three alternatives for the Commission's consideration. These alternatives are intended to provide a broad range of options that would each result in the Commission meeting the mandates of G.C. Sections 56425 and 56430. The three alternatives are provided as follows.

### Alternative One

Alternative One represents the status quo in which the Commission, every five years, adopts a study schedule calendaring MSRs and SOI updates for each local agency in Napa County under LAFCO's jurisdiction. The Commission's existing policy on MSRs or its study schedule would remain unchanged. Moving forward, this alternative would require substantial increases to budgeted consulting services to allow the Commission to contract with private consulting firms to supplement in-house studies prepared by staff.

Alternative Two

Alternative Two involves amending the Commission's policy on MSRs to eliminate the adoption of a new study schedule every five years. This alternative would provide the Commission with flexibility to calendar studies in a manner that more appropriately parallels staff's workload. This alternative would allow for a cost- and time-effective solution to the Commission's slow progress on its studies and would involve a combination of studies prepared in-house and by consultants. Specific costs and timelines would not be known until the Commission determines which local agencies require MSRs and SOI updates. It would be reasonable to assume an increase to budgeted consulting services would be needed. However, the budget increase would likely be significantly lower than the budget increase described in Alternative One.

Alternative Three

Alternative Three involves retaining the Commission's existing policy on MSRs while amending the current study schedule. Potential amendments to the study schedule include re-ordering the local agencies to allow the Commission to begin preparing MSRs and SOI updates for those agencies that most urgently need a review of their jurisdictional boundaries, governance structure, and municipal service provision. This would likely involve contracting with private consulting firms in the near-term and require substantial increases to budgeted consulting services.

Regardless of which of the alternatives the Commission collectively prefers, it appears appropriate to also direct staff to begin preparing a Work Plan for adoption at a future meeting and periodic review. An adopted Work Plan would provide the Commission with a better understanding of ongoing staff activities and allocation of resources. A Work Plan would also allow the Commission to provide more influence with respect to costs, priorities, and timelines for projects as they become known. The Commission is invited to discuss possible direction specific to a Work Plan as part of this item.

**ATTACHMENTS**

- 1) Current Policy on Municipal Service Reviews
- 2) Adopted Study Schedule (2008/09 – 2014/15)
- 3) Chart Depicting Progress on Current Study Schedule
- 4) Orange LAFCO MSR/SOI Example
- 5) Sacramento LAFCO MSR/SOI Questionnaire and Example
- 6) Yolo LAFCO MSR/SOI Checklist and Example



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Policy on Municipal Service Reviews*

#### **I. Background**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Commission to prepare municipal service reviews in conjunction with its mandate to review and update each local agency's sphere of influence every five years as necessary. The legislative intent of the municipal service review process is to inform the Commission with regard to the availability, capacity, and efficiency of governmental services provided within its jurisdiction prior to making sphere of influence determinations. Municipal service reviews must designate the geographic area in which the governmental service or services are under evaluation. Municipal service reviews must also include determinations addressing the governance factors prescribed under Government Code Section 56430 and any other matters relating to service provision as required by Commission policy.

#### **II. Purpose**

The purpose of these policies is to guide the Commission in conducting municipal service reviews. This includes establishing consistency with respect to the Commission's approach in the (a) scheduling, (b) preparation, and (c) adoption of municipal service reviews.

#### **III. Objective**

The objective of the Commission in conducting municipal service reviews is to proactively and comprehensively evaluate the level, range, and structure of governmental services necessary to support orderly growth and development in Napa County. Underlying this objective is to develop and expand the Commission's knowledge and understanding of the current and planned provision of local governmental services in relationship to the present and future needs of the community. The Commission will use the municipal service reviews not only to inform subsequent sphere of influence determinations but also to identify opportunities for greater coordination and cooperation between providers as well as possible government structure changes.

#### **IV. Municipal Service Review Policies**

##### **A. Scheduling**

Beginning in 2008, and every five years thereafter, the Commission will hold a public hearing to adopt a study schedule calendaring municipal service reviews over the next five year period. Public hearing notices will be circulated 21 days in advance to all local agencies as well as posted on the Commission website. The Commission will generally schedule municipal service reviews in conjunction with sphere of influence updates. The Commission, however, may schedule municipal service reviews independent of sphere of influence updates. The Commission may also amend the study schedule to add, modify, or eliminate calendared municipal service reviews to address changes in circumstances, priorities, and available resources.

In adopting a study schedule, the Commission may calendar three types of municipal service reviews. These three types of municipal service reviews are 1) service-specific, 2) region-specific, and 3) agency-specific and are summarized below.

- A service-specific municipal service review will examine particular governmental services across multiple local agencies on a countywide basis.
- A region-specific municipal service review will examine the range of governmental services provided by local agencies within a particular area.
- An agency-specific municipal service review will examine the breadth of governmental services provided by a particular local agency.

## **B. Preparation**

The Commission will encourage input among affected local agencies in designing the municipal service reviews to enhance the value of the process among stakeholders and capture unique local conditions and circumstances effecting service provision. This includes identifying appropriate performance measures as well as regional growth and service issues transcending political boundaries. The Commission will also seek input from the affected local agencies in determining final geographic area boundaries for the municipal service reviews. Factors the Commission may consider in determining final geographic area boundaries include, but are not limited to, spheres of influence, jurisdictional boundaries, urban growth boundaries, general plan designations, and topography.

The Commission will prepare the municipal service reviews but may contract with outside consultants to assist staff as needed. Data collection is an integral component of the municipal service review process and requires cooperation from local agencies. The Commission will strive to reduce the demands on local agencies in the data collection process by using existing information resources when available and adequate. All service related information compiled by local agencies will be independently reviewed and verified by the Commission.

Each municipal service review will generally be prepared in three distinct phases. The first phase will involve the preparation of an administrative report and will include a basic outline of service information collected and analyzed by staff. The administrative report will be made available to each affected local agency for their review and comment to identify any technical corrections. The second phase will involve the preparation of a draft report that will be presented to the Commission for discussion at a public meeting. The draft report will incorporate any technical corrections identified during the administrative review and include determinations. The draft report will be made available to the public for review and comment for a period of no less than 21 days. The third phase will involve the preparation of a final report and will address any new information or comments generated during the public review period and will be presented to the Commission as part of a public hearing.

In addition to making determinations on various factors as prescribed by Government Code Section 56430, the Commission will additionally make determinations with respect to the relationship with regional growth goals and policies.

**C. Adoption**

The Commission will complete each scheduled municipal service review by formally receiving a final report and adopting a resolution codifying its determinations as part of public hearing.



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
STUDY SCHEDULE (2008/09-2014/15)**

**Municipal Service Reviews (Government Code §56430)  
Sphere of Influence Reviews (Government Code §56425)**

Adopted: February 4, 2008  
Amended: November 3, 2008  
Amended: June 7, 2010  
Amended: December 5, 2011

**Fiscal Years 2008/2009 and 2009/2010**

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**South Napa County**

Municipal service review will examine the governmental services provided by the City of American Canyon, American Canyon Fire Protection District, and County Service Area No. 3. The municipal service review will precede sphere of influence reviews for all three local agencies.

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**Lake Berryessa Area**

Municipal service review will examine the governmental services provided by the Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, and the Spanish Flat Water District. The municipal service review will precede sphere of influence reviews for all three local agencies.

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**Fiscal Year 2010/2011**

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**County Service Area No. 4**

Municipal service review will examine the governmental services provided by County Service Area No. 4 and will precede a sphere of influence review.

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**Napa County Regional Park & Open Space District**

Municipal service review will examine the governmental services provided by the Napa County Regional Park & Open Space District will precede the establishment of a sphere of influence review.

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**Napa County Mosquito Abatement District**

Municipal service review will examine the governmental services provided by the Napa County Mosquito Abatement District and will precede a sphere of influence review.

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**Fiscal Year 2011/2012**

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**Law Enforcement Services**

Municipal service review will examine public law enforcement (i.e., police protection) services provided in Napa County.

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### **Fiscal Year 2012/13**

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#### **Central Napa County**

Municipal service review will examine the governmental services provided by the City of Napa, Napa Sanitation District, Silverado Community Services District, and Congress Valley Water District. The municipal service review will precede sphere of influence reviews for all four local agencies.

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### **Fiscal Year 2013/14**

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#### **Circle Oaks County Water District**

Municipal service review will examine the governmental services provided by the Circle Oaks County Water District and will precede a sphere of influence review.

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#### **Napa County Flood Control and Water Conservation District**

Municipal service review will examine the governmental services provided by the Napa County Flood Control and Water Conservation District and will precede a sphere of influence review.

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#### **Napa County Resource Conservation District**

Municipal service review will examine the governmental services provided by the Napa County Resource Conservation District and will precede a sphere of influence review.

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#### **Napa River Reclamation District No. 2109**

Municipal service review will examine the governmental services provided by the Napa River Reclamation District No. 2109 and will precede a sphere of influence review.

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### **Fiscal Year 2014/15**

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#### **North Napa Valley**

Municipal service review will examine the governmental services provided by the Cities of Calistoga, St. Helena, and Town of Yountville. The municipal service review will precede sphere of influence reviews for all three local agencies.

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#### **Los Carneros Water District**

Municipal service review will examine the governmental services provided by the Los Carneros Water District and will precede a sphere of influence review.

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#### **Cemetery Services**

Municipal service review will examine public interment services provided in Napa County and will precede a sphere of influence review of the Monticello Public Cemetery District and the Pope Valley Cemetery District.

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<b>LAFCO of Napa County</b>	<b>Recent MSR</b>	<b>Recent SOI Update</b>	<b>What is Needed?</b>	<b>Condensed Study?</b>
<b>FISCAL YEARS 2008-09 &amp; 2009-10</b>				
South Napa County				
City of American Canyon	<a href="#">June 2009</a>	<a href="#">June 2010</a>	N/A	N/A
American Canyon Fire Protection District (ACFPD)	<a href="#">June 2009</a>	<a href="#">June 2010</a>	N/A	N/A
County Service Area No. 3 (CSA #3)	<a href="#">June 2009</a>	<a href="#">October 2012</a>	N/A	N/A
Lake Berryessa Area				
Lake Berryessa Resort Improvement District (LBRID)	<a href="#">April 2011</a>	<a href="#">December 2012</a>	N/A	N/A
Napa Berryessa Resort Improvement District (NBRID)	<a href="#">April 2011</a>	<a href="#">April 2013</a>	N/A	N/A
Spanish Flat Water District (SFWD)	<a href="#">April 2011</a>	<a href="#">August 2013</a>	N/A	N/A
<b>FISCAL YEAR 2010-11</b>				
County Service Area No. 4 (CSA #4)	<a href="#">December 2010</a>	<a href="#">December 2010</a>	N/A	N/A
Napa County Regional Park and Open Space District (NCRPOSD)	<a href="#">December 2010</a>	<a href="#">December 2010</a>	N/A	N/A
Napa County Mosquito Abatement District (NCMAD)	<a href="#">May 2010</a>	<a href="#">May 2010</a>	N/A	N/A
<b>FISCAL YEAR 2011-12</b>				
Law Enforcement Services	<a href="#">June 2012</a>	N/A	N/A	N/A
<b>FISCAL YEAR 2012-13</b>				
Central Napa County				
City of Napa	<a href="#">April 2014</a>	<a href="#">April 2014</a>	N/A	N/A
Napa Sanitation District (NSD)	<a href="#">April 2014</a>	<a href="#">April 2015 (Draft)</a>	Final SOI	N/A
Congress Valley Water District (CVWD)	<a href="#">April 2014</a>	<a href="#">February 2008</a>	SOI	N/A
Silverado Community Services District (SCSD)	<a href="#">April 2014</a>	<a href="#">August 2007</a>	SOI	N/A
<b>FISCAL YEAR 2013-14</b>				
Circle Oaks County Water District (COCWD)	<a href="#">October 2004</a>	<a href="#">June 2007</a>	MSR & SOI	Yes
Napa County Flood Control & Water Conservation District (NCFCWCD)	<a href="#">June 2007</a>	<a href="#">June 2007</a>	MSR & SOI	Yes
Napa County Resource Conservation District (NCRCD)	<a href="#">December 2006</a>	<a href="#">February 2007</a>	MSR & SOI	Yes
Napa River Reclamation District #2109 (NRRD)	<a href="#">August 2005</a>	<a href="#">April 2007</a>	MSR & SOI	Yes
<b>FISCAL YEAR 2014-15</b>				
North Napa Valley				
City of Calistoga	<a href="#">June 2008</a>	<a href="#">August 2008</a>	MSR & SOI	No
City of St. Helena	<a href="#">June 2008</a>	<a href="#">August 2008</a>	MSR & SOI	No
Town of Yountville	<a href="#">August 2007</a>	<a href="#">August 2007</a>	MSR & SOI	No
Los Carneros Water District (LCWD)	<a href="#">October 2004</a>	<a href="#">June 2007</a>	MSR & SOI	Yes
Cemetery Services				
Monticello Public Cemetery District (MPCD)	<a href="#">August 2008</a>	<a href="#">October 2008</a>	MSR & SOI	Yes
Pope Valley Cemetery District (PVCD)	<a href="#">August 2008</a>	<a href="#">October 2008</a>	MSR & SOI	Yes



February 13, 2013

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**CAROLYN EMERY**  
Interim Executive Officer

**TO:** Local Agency Formation Commission

**FROM:** Interim Executive Officer  
Policy Analyst

**SUBJECT:** 2013-2018 Municipal Service Review and Sphere of Influence  
Updates for Orange County Cities and Special Districts

### BACKGROUND

Amendments to the Cortese-Knox-Hertzberg Act in 2000 require that LAFCOs prepare Municipal Service Reviews (MSRs) every five years in conjunction with Sphere of Influence (SOI) updates for each city and special district. MSRs, in general, evaluate how agencies currently provide services and how they plan to deliver services in the future given changing demographic and fiscal trends.

OC LAFCO has completed two cycles of MSRs – the first round of MSRs were completed between 2005 and 2008 and involved a collaborative, stakeholder-driven process involving County, city, special district, and LAFCO staff. The result was detailed MSRs for each Orange County agency. The stakeholder discussions, and the subsequent MSRs that followed, laid the groundwork for the completion of numerous boundary and organizational changes which have improved service delivery in Orange County.

Two key lessons learned from the initial cycle of MSRs were: (1) Orange County's agencies are generally well run and provide high level services; and (2) the stakeholder driven MSR process is time-consuming and costly in terms of staff time and resources for LAFCOs, cities and special districts. For the second cycle of MSRs (2008-2013), the Commission "reconfirmed" the MSR determinations for most Orange County agencies, but directed staff to provide additional analysis for six agencies (City of Huntington Beach, City of Orange, City of Los Alamitos, City of Rancho Santa Margarita, City of Tustin, and Sunset Beach Sanitary District). Focused MSRs and SOI updates were completed for those agencies with separate recommendations and determinations adopted by the Commission.

## **USING WEB-BASED PROGRAMS TO MEET MSR DETERMINATIONS**

Consistent with OC LAFCO's overarching goal of making the MSR process meaningful for LAFCO and its member agencies, the Commission developed a new approach for the current round of MSRs (2013-2018): use technology, where possible, to develop ongoing monitoring tools for Orange County's local agencies.

OC LAFCO's approach to MSRs now largely embraces a web-based, interactive approach instead of stand-alone reports that are updated and shelved every five years. *Attachment 1* to this report, the "2013 - 2018 Municipal Service Review and Sphere of Influence Updates for Orange County's Cities and Special Districts" identifies and describes the web-based programs and reports that address the seven MSR determinations. Staff is recommending that one set of MSR determinations be applied to all of Orange County's cities and special districts. Staff has not identified any significant MSR-related issues with Orange County's cities and special districts. However, it is noted throughout the report that future discussions need to ensue regarding governance options for South Orange County.

As the Rancho Mission Viejo Company prepares to open its initial neighborhoods of the Ranch Plan (a planned community of up to 14,000 homes with a mix of commercial and open space uses) in the summer of 2013, development of a long-term governance plan for this "new community" is identified as a key project in the Commission's work plan.

Also adjacent to the developing Rancho Mission Viejo property are the developed, unincorporated communities of Coto de Caza, Ladera Ranch, Las Flores, Wagon Wheel and Stonecliffe. With the exception of Ladera Ranch, all of these communities are currently included within the City of Rancho Santa Margarita's sphere of influence (adopted by the Commission in May 2010). The provision of municipal services to these unincorporated areas will also be discussed as part of the overall South County governance plan.

## **SPHERE OF INFLUENCE UPDATES**

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequently to the preparation of Municipal Service Reviews. With the exception of five agencies, the City of Garden Grove, the City of Stanton, the City of Laguna Beach, Capistrano Bay Community Services District, and the Municipal Water District of Orange County (discussed in *Attachment 1*), staff is recommending that the spheres of influence for the remaining Orange County cities and special districts be re-confirmed. Sphere of influence maps for agencies recommended for reconfirmation are included in *Attachment 3*.

### **AGENCY COMMENTS**

Staff received comments from 11 agencies regarding the Commission's reconfirmation of their spheres of influence. Four agencies requested further analysis of their current spheres of influence boundaries (City of Rancho Santa Margarita, City of Laguna Beach, Capistrano Bay Community Services District, and the Municipal Water District of Orange County). Staff concurs that the spheres for the City of Laguna Beach, the Capistrano Bay Community Services District, and the Municipal Water District of Orange County warrant further analysis and review and are not proposed for reconfirmation at this time. Staff will prepare individual analyses of key issues and return to the Commission with sphere of influence recommendations for these agencies at a later date.

The City of Rancho Santa Margarita sphere issues will be analyzed in the upcoming South County Governance Report; however, staff recommends reaffirming the Rancho Santa Margarita sphere at this time. The remaining agency comments offered support for their current sphere boundary and/or requested minor administrative changes which have been completed. Comment letters received are included in *Attachment 2* for Commission review.

### **CEQA**

LAFCO is the lead agency under CEQA for the third round of municipal service reviews and related sphere of influence updates. Staff reviewed the CEQA Guidelines and recommends that the Commission consider the proposed action to adopt new MSR determinations for Orange County's cities and special districts exempt from CEQA under CEQA Guidelines §15262 (Feasibility and Planning Studies). See *Attachment 4*, Notice of Exemption - MSRs.

Staff is also recommending that the Commission consider the proposed action to reconfirm the spheres of influence for selected Orange County cities and special districts exempt from CEQA under CEQA Guidelines §15262 (Feasibility and Planning Studies). See *Attachment 5*, Notice of Exemption - SOIs.

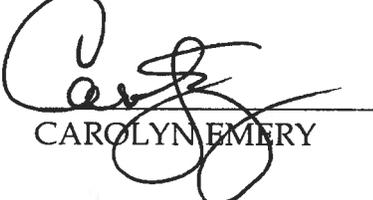
### **RECOMMENDATIONS**

Staff recommends that the Commission:

1. Receive and file the "2013 -2018 Municipal Service Review and Sphere of Influence Updates for Orange County's Cities and Special Districts" report (*Attachment 1*).
2. Find the Municipal Service Review exempt under the statutory exemption of the California Environmental Quality Act (CEQA) Guidelines §15262 (*Attachment 4*)

3. Find the Sphere of Influence Updates exempt under the statutory exemption of the California Environmental Quality Act (CEQA) Guidelines §15262 (*Attachment 5*)
4. Certify the Municipal Service Review Certificate of Fee Exemption for the California Wildlife, Fish and Game (*Attachment 6*)
5. Certify the Sphere of Influence Updates Certificate of Fee Exemption for the California Wildlife, Fish and Game (*Attachment 7*)
6. Adopt the Draft Resolution approving the MSR determinations for all of Orange County cities and special districts (*Attachment 8*).
7. Adopt the Draft Resolution reconfirming the current spheres of influence for the selected Orange County cities and special districts identified therein (*Attachment 9*).
8. Direct staff to work with the following five agencies (Capistrano Bay Community Services District, Municipal Water District of Orange County, City of Laguna Beach, City of Garden Grove, and City of Stanton) to analyze their sphere of influence issues and return to the Commission at a later date with recommendations for Commission consideration.

Respectfully submitted,



CAROLYN EMERY



JOE SERRANO

Attachments:

1. 2013-2018 MSR/SOI Update
2. Comment Letters
3. Sphere of Influence Maps
4. Categorical Exemption - MSRs
5. Categorical Exemption - SOIs
6. Certificate of Fee Exemption - MSRs
7. Certificate of Fee Exemption - SOIs
8. Draft Resolution (MSR 13-01)
9. Draft Resolution (SOI 13-02)

# 2013-2018 Municipal Service Review and Sphere of Influence Updates for Orange County's Cities and Special Districts



**February 13, 2013**

## **INTRODUCTION**

In 2000, the revised Cortese-Knox-Hertzberg Reorganization Act was amended to require LAFCOs to conduct comprehensive, regional municipal service reviews (MSRs) every five years in conjunction with sphere of influence (SOI) updates for each city and special district within Orange County. OC LAFCO has completed two prior cycles of MSR and SOI updates. This report comprises the third round (2013 – 2018) of MSR and SOI reviews for Orange County's cities and special districts. The report includes the following key sections:

- Background of past MSR/SOI updates
- Proposed MSR determinations for each Orange County city and special district
- Discussion of proposed city and district SOI reconfirmation
- Discussion of agencies with outstanding sphere issues, including islands
- Staff recommendations

## **BACKGROUND**

The original 2000 law required that the initial round of Municipal Service Reviews be completed by LAFCOs throughout California no later than January 1, 2008. Between 2005 and 2008, OC LAFCO successfully completed MSR and SOI updates for most cities and special districts under LAFCO's authority.

### **1<sup>st</sup> Cycle of MSRs: "Stakeholder Driven" (2008)**

The original law was vague and could have resulted in reports with little or no value to LAFCO or the affected agencies. Instead, OC LAFCO designed a collaborative, stakeholder-driven process that was unique in California. The process provided an opportunity for stakeholders to demonstrate vision and leadership in tackling important issues and often planted "seeds" for future changes in local governance leading to a long-term improvement in the delivery of municipal services.

Those stakeholder discussions, and the subsequent MSR reports that followed, resulted in successes – a consolidation of two water districts, a reorganization of territory between agencies to correct funding inequities, boundary changes between counties, the identification of water and sewer challenges, continued discussion of future governance in South County, and an increased awareness of a variety and complexity of issues facing cities and special districts. This effort also highlighted the innovative and effective ways that many Orange County public agencies tackle tough issues.

### **2<sup>nd</sup> Cycle of MSRs: "Reconfirmation" (2008 - 2013)**

One of the important lessons learned from the initial round of detailed MSRs was that, generally, Orange County agencies are well run and provide their constituents with reliable, high level services. In November 2008, the Commission concurred with staff that it would not be a valuable use of staff time (or that of city and/or district staff) to replicate the intensive, stakeholder effort undertaken in the first round of MSRs.

As a result, the Commission “reconfirmed” each of the agencies’ respective MSR/SOIs for the 2008 – 2013 cycle, with the exception of six agencies (City of Rancho Santa Margarita, City of Huntington Beach, Sunset Beach Sanitary District, City of Tustin, City of Orange and the City of Los Alamitos) that were identified in the first round of MSRs as having important sphere of influence and/or boundary issues that required additional staff and Commission analysis. Focused sphere of influence studies were subsequently completed for these agencies with recommendations and determinations adopted by the Commission.

### **3<sup>rd</sup> Cycle of MSRs: “Best Practices” (2013 – 2018)**

Continuing OC LAFCO’s efforts to make the MSR process relevant and meaningful for LAFCO and Orange County’s cities and special districts, the Commission developed a new approach for the 3<sup>rd</sup> cycle of MSRs. Since the initial round of MSRs showcased the excellent work of public agencies in Orange County, OC LAFCO believed that those agencies exhibiting innovative and efficient efforts, called “Best Practices,” could help other public agencies learn how to *do more with less*.

A Best Practices Summit sponsored by OC LAFCO was held on March 27, 2009, with 84 elected officials and key staff from 47 Orange County agencies in attendance. The purpose of the Summit was to allow elected officials and key staff from a variety of public agencies to not only discuss what issues Orange County would face in the next few years, but also allow for a broad exchange of original and inventive ideas or “practices” to meet those challenges.

In order to streamline the 3<sup>rd</sup> cycle of MSR updates and continue to provide value to our stakeholders, the Commission agreed to showcase Best Practices as a unique, County-wide approach to meet the State-mandated MSR requirements for Orange County’s cities and special districts. Many of the programs staff has developed over the last three years, in collaboration with local agencies, were designed to highlight best practices, provide opportunities for cities and districts to share services, identify demographic and fiscal trends, align services, and increase agency and public involvement in government decision making.

### **A New Approach to MSR Determinations**

The Commission’s approach to MSRs has evolved significantly over time - from drafting labor-intensive, one-time reports every five years for each Orange County local agency, to a primarily web-based system that allows LAFCO, the County, cities, special districts and the public the opportunity to review local agencies on an ongoing basis. This approach has several unique advantages over traditional MSR reports:

- Provides an interactive data base to more easily identify service-related opportunities
- Showcases the high level of services provided by most Orange County agencies
- Provides continuous data and information updates
- Promotes local agency “best practices”
- Conserves staff time and resources

***Outside the Box: Using Web-based Programs to meet MSR Determinations***

The Commission has recently leveraged new technology to improve communication and collaboration among Orange County's local agencies through the development of various web-based programs. Many of these programs are unique to OC LAFCO and are being studied and, in some cases, replicated by other LAFCOs throughout California. OC LAFCO has set the bar in terms of innovatively addressing MSR determinations through both the use of technology and special studies.

State law (Government Code Section 56430) provides LAFCOs with great latitude in how each LAFCO addresses the MSR requirements for its cities and special districts. The law does require, however, that written determinations be prepared for seven specific areas: (1) growth and population projections; (2) location and characteristics of any unincorporated disadvantaged communities; (3) present and planned capacity of public facilities; (4) financial ability of agencies to provide services; (5) opportunities for shared services; (6) accountability for community service needs, including government structure and operational efficiencies; and (7) any other matter related to effective or efficient service delivery, as required by Commission policy.

**Tables 1 and 2, below, identify the cities and special districts evaluated in the 2013-2018 MSR cycle:**

**Table 1: Orange County Cities – MSR Review Cycles**

<b>Cities</b>	<b>1<sup>st</sup> MSR Cycle (Adopted MSR Determinations)</b>	<b>2<sup>nd</sup> MSR Cycle (Adopted MSR Determinations)</b>	<b>3<sup>rd</sup> Round of MSRs (Proposed MSR Determinations)</b>
City of Aliso Viejo	July 18, 2007	November 12, 2008	See Pages 6-9
City of Anaheim	November 20, 2006	November 12, 2008	See Pages 6-9
City of Brea	November 9, 2005	November 12, 2008	See Pages 6-9
City of Buena Park	July 18, 2007	November 12, 2008	See Pages 6-9
City of Costa Mesa	July 12, 2006	November 12, 2008	See Pages 6-9
City of Cypress	July 18, 2007	November 12, 2008	See Pages 6-9
City of Dana Point	July 18, 2007	November 12, 2008	See Pages 6-9
City of Fountain Valley	November 20, 2006	November 12, 2008	See Pages 6-9
City of Fullerton	July 18, 2007	November 12, 2008	See Pages 6-9
City of Garden Grove	November 20, 2006	November 12, 2008	See Pages 6-9
City of Huntington Beach	March 8, 2006	July 8, 2009	See Pages 6-9
City of Irvine	October 12, 2005	November 12, 2008	See Pages 6-9
City of La Habra	July 18, 2007	November 12, 2008	See Pages 6-9
City of La Palma	July 18, 2007	November 12, 2008	See Pages 6-9
City of Laguna Beach	July 18, 2007	November 12, 2008	See Pages 6-9
City of Laguna Hills	July 18, 2007	November 12, 2008	See Pages 6-9
City of Laguna Niguel	April 13, 2005	November 12, 2008	See Pages 6-9
City of Laguna Woods	July 18, 2007	November 12, 2008	See Pages 6-9
City of Lake Forest	July 18, 2007	November 12, 2008	See Pages 6-9
City of Los Alamitos	March 9, 2005	May 13, 2009	See Pages 6-9
City of Mission Viejo	March 8, 2006	November 12, 2008	See Pages 6-9
City of Newport Beach	July 12, 2006	November 12, 2008	See Pages 6-9

*2013-2018 Municipal Service Review and Spheres of Influence Updates  
For Orange County's Cities and Special Districts  
February 13, 2013*

<b>Cities</b>	<b>1<sup>st</sup> MSR Cycle (Adopted MSR Determinations)</b>	<b>2<sup>nd</sup> MSR Cycle (Adopted MSR Determinations)</b>	<b>3<sup>rd</sup> Round of MSRs (Proposed MSR Determinations)</b>
City of Orange	March 9, 2005	June 17, 2009	See Pages 6-9
City of Placentia	July 18, 2007	November 12, 2008	See Pages 6-9
City of Rancho Santa Margarita	March 8, 2006	June 9, 2010	See Pages 6-9
City of San Clemente	March 8, 2006	November 12, 2008	See Pages 6-9
City of San Juan Capistrano	March 8, 2006	November 12, 2008	See Pages 6-9
City of Santa Ana	November 20, 2006	November 12, 2008	See Pages 6-9
City of Seal Beach	March 9, 2005	November 12, 2008	See Pages 6-9
City of Stanton	November 20, 2006	November 12, 2008	See Pages 6-9
City of Tustin	July 18, 2007	June 17, 2009	See Pages 6-9
City of Villa Park	March 9, 2005	November 12, 2008	See Pages 6-9
City of Westminster	November 20, 2006	November 12, 2008	See Pages 6-9
City of Yorba Linda	May 10, 2006	November 12, 2008	See Page 6-9

**Table 2: Orange County Special Districts – MSR Review Cycles**

<b>Special Districts</b>	<b>1<sup>st</sup> MSR Cycle (Adopted MSR Determinations)</b>	<b>2<sup>nd</sup> MSR Cycle (Adopted MSR Determinations)</b>	<b>3<sup>rd</sup> MSR Cycle (Proposed MSR Determinations)</b>
Buena Park Library District	November 9, 2005	November 12, 2008	See Pages 6-9
Capistrano Bay Community Services District	July 18, 2007	November 12, 2008	See Pages 6-9
*County Service Area 13 (La Mirada)	See note below	See note below	See Pages 6-9
*County Service Area 20 (La Habra)	See note below	See note below	See Pages 6-9
*County Service Area 22 (East Yorba Linda)	See note below	See note below	See Pages 6-9
County Service Area 26 (OC Parks)	February 8, 2006	November 12, 2008	See Pages 6-9
Costa Mesa Sanitary District	June 20, 2007	November 12, 2008	See Pages 6-9
Cypress Recreation & Park District	September 10, 2008	November 12, 2008	See Pages 6-9
East Orange County Water District	April 13, 2005	November 12, 2008	See Pages 6-9
Emerald Bay Community Services District	July 18, 2007	November 12, 2008	See Pages 6-9
El Toro Water District	July 18, 2007	November 12, 2008	See Pages 6-9
Garden Grove Sanitary District	November 20, 2006	November 12, 2008	See Pages 6-9
Irvine Ranch Water District	April 13, 2005	November 12, 2008	See Pages 6-9
Laguna Beach County Water District	July 18, 2007	November 12, 2008	See Pages 6-9
Midway City Sanitary District	November 20, 2006	November 12, 2008	See Pages 6-9
Mesa Consolidated Water District	June 20, 2007	November 12, 2008	See Pages 6-9
Moulton Niguel Water District	July 18, 2007	November 12, 2008	See Pages 6-9
Municipal Water District of Orange County	November 14, 2007	November 12, 2008	See Pages 6-9
Orange County Cemetery District	November 9, 2005	November 12, 2008	See Pages 6-9
Orange County Sanitation District	May 9, 2007	November 12, 2008	See Pages 6-9
Orange County Vector Control District	November 9, 2005	November 12, 2008	See Pages 6-9

Special Districts	1 <sup>st</sup> MSR Cycle (Adopted MSR Determinations)	2 <sup>nd</sup> MSR Cycle (Adopted MSR Determinations)	3 <sup>rd</sup> MSR Cycle (Proposed MSR Determinations)
Orange County Water District	October 11, 2006	November 12, 2008	See Pages 6-9
Placentia Library District	November 9, 2005	November 12, 2008	See Pages 6-9
Rossmoor Community Services District	April 13, 2005	November 12, 2008	See Pages 6-9
Rossmoor/Los Alamitos Sewer District	April 13, 2005	November 12, 2008	See Pages 6-9
Santa Margarita Water District	March 8, 2006	November 12, 2008	See Pages 6-9
Serrano Water District	April 13, 2005	November 12, 2008	See Pages 6-9
Silverado-Modjeska Recreation & Park District	April 13, 2005	November 12, 2008	See Pages 6-9
South Coast Water District	July 18, 2007	November 12, 2008	See Pages 6-9
Sunset Beach Sanitary District	April 13, 2005	July 8, 2009	See Pages 6-9
Surfside Colony Community Services Tax District	September 14, 2005	November 12, 2008	See Pages 6-9
Surfside Colony Stormwater Protection District	September 14, 2005	November 12, 2008	See Pages 6-9
Three Arch Bay Community Services District	July 18, 2007	November 12, 2008	See Pages 6-9
Trabuco Canyon Water District	March 8, 2006	November 12, 2008	See Pages 6-9
Yorba Linda Water District	May 10, 2006	November 12, 2008	See Pages 6-9

*\*Note – The Commission analyzed all the County Service Areas (CSAs) in Orange County on December 17, 2008 and directed staff to include all CSAs in the third round of MSRs.*

**MSR DETERMINATIONS FOR ORANGE COUNTY CITIES AND SPECIAL DISTRICTS (2013-2018 CYCLE)**

MSRs are generally considered “receive and file” reports to LAFCO; however they do require (per Government Code Section 56430) Commission adoption of seven determinations. **Below is a single set of determinations proposed for each of Orange County’s 34 cities and 35 special districts.** The determinations describe the approach and methodology developed to address each of the determinations on an ongoing basis.

Based on the Commission’s special studies on infrastructure and governance and the ongoing web-based monitoring programs, staff has not identified any significant issues with Orange County’s cities and special districts. Applying the same set of determinations to each agency is a departure from previous MSR cycles where determinations were developed individually for each agency. With the implementation of a primarily web-based monitoring system now in place, LAFCO, member agencies and the public now have the ability to use these tools to monitor the financial health, demographic trends, shared service opportunities and other factors on an ongoing basis. Should any service-related issues be identified, LAFCO can direct staff to provide additional analysis at any time.

The following are the proposed MSR determinations for each of Orange County’s cities and special districts for the 2013-2018 MSR cycle:

**(1) Growth and population projections for the affected area.**

Orange County LAFCO is a Contributing Partner of the California State University, Fullerton Center for Demographic Research (CDR) and participates on the Center's Technical Advisory and Management Oversight Committees.

Recently, CDR provided LAFCO with updated demographic data for each of the County's unincorporated islands based on "block level" 2010 Census data. OC LAFCO's Demographic Web Program has incorporated this data and now provides all local agencies and the public with an interactive user interface for determining existing and projected population estimates and the preparation for additional service provisions for Orange County cities and special districts. The new web-based program will also identify the location of any disadvantaged unincorporated communities (DUCs) within or contiguous to a city's sphere of influence.

**(2) Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

In December 2011, LAFCO staff, in concert with the Center for Demographic Research, analyzed the location of disadvantaged unincorporated communities (as defined by Government Code Section 56033.5) within Orange County. Relative to other counties in California, Orange County has little unincorporated developed land, and disadvantaged unincorporated communities (DUCs) were found in only two of the County's unincorporated islands: Southwest Anaheim and Katella/Rustic. Both are identified on OC LAFCO's Demographic Web Program.

Within the Southwest Anaheim Island, there are four non-contiguous neighborhoods that qualify as DUCs: La Colonia, Harcourt, Sherwood Forest, and Thistle. The majority of these neighborhoods consist of single family residential homes. Located in the Anaheim and Garden Grove Sanitary District spheres of influence, Southwest Anaheim has undergone two attempts at annexation by the City of Anaheim within the past six years. Both annexation attempts were terminated due to resident protest.

The Katella/Rustic Island consists of 29 single family homes and a small commercial shopping center. Approximately 10.5 acres in size, Katella/Rustic is home to approximately 144 residents. The Katella/Rustic Island is located within the City of Stanton's sphere of influence. The City has expressed no interest in pursuing annexation of Katella/Rustic.

**(3) Present and planned capacity of public facility, 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.**

In August 2010, OC LAFCO directed staff to partner with California State University, Fullerton's Center for Sustainability to prepare a countywide analysis of sewer and water

infrastructure and the projected impacts that expected population growth may have on existing systems. Key findings of the report, completed in October 2011, included:

- Legislative and regulatory actions are proactively reducing water and sewer demands on the existing infrastructure.
- OC agencies are using innovative approaches to water supply management and are actively pursuing a reduction of reliance on imported water supplies.
- OC water and sewer infrastructure are ready for the projected population growth and resulting increases in net demand projected for the next 20-year period between 2010 and 2030.

Orange County has two disadvantaged unincorporated communities, the Katella/Rustic Island and the Southwest Anaheim Island. Both are fully developed, and no new development is anticipated in the near future.

Katella/Rustic is provided water through the Golden State Water Company, a private water purveyor. The Garden Grove Sanitary District provides sewer service to the island. No septic tanks are located within the Katella/Rustic Island according to the *OC LAFCO Sewer and Water Infrastructure Report (October 2011)*. Fire protection services are provided through the County's regional fire provider, the Orange County Fire Authority. Police service is provided by the Orange County Sheriff Department. No significant infrastructure needs have been identified.

The Southwest Anaheim Island is provided water service through the City of Anaheim. Sewer service is provided by both the City of Anaheim and the Garden Grove Sanitary District. According to the *OC LAFCO Sewer and Water Infrastructure Report (October 2011)*, there are two septic tanks within the Southwest Anaheim Island. Fire protection services are provided through the Orange County Fire Authority. Police service is provided by the Orange County Sheriff's Department. Past discussions with residents and the County have identified code enforcement as an ongoing issue within the unincorporated Southwest Anaheim area.

**(4) Financial ability of agencies to provide services.**

In the summer of 2011, Orange County LAFCO launched its "Fiscal Trends Analysis" program which provides a user-friendly, web-based financial "dashboard" of an agency's financial condition. Developed through a stakeholder process with city and special district financial officers and staff, the program provides a general indication of an agency's overall fiscal health and offers insight into the financial ability of these agencies to continue providing quality services to their residents. The program is accessible through Orange County LAFCO's website. Financial "snapshots" using key economic indicators have been completed (and are routinely updated) for each city and each special district within Orange County.

**(5) Status of, and opportunities for, shared facilities.**

The LAFCO Shared Services Program website was launched in July 2011. The program focuses on highlighting opportunities for sharing services to Orange County's public agencies and to local non-profit homeowners' associations. The website provides an interactive forum for participants to view available services (e.g., public works, GIS, information technology, street sweeping, staffing, animal control, parks and recreation, code enforcement, etc.) and information to "match" interested parties.

In early 2012, a Capital Improvements Program (CIP) Map was added to the Shared Services website identifying current and future public works-related projects. This additional feature allows increased opportunities for cities and special districts to jointly bid and/or participate in public works projects which can offer operational and cost saving benefits to participating agencies. Staff continues to work with a working group of city, county and special district staff to refine and improve OC LAFCO's shared services efforts.

In late 2012, ten local agencies utilized the Shared Services Program to foster regional collaborations and formed the Fleet Maintenance Working Group. This partnership led to the development of a White Paper and an interactive fleet map, depicting the location of all fleet facilities throughout the County. The original Working Group (consisting of ten cities and special districts) has now grown to 30 participating cities and special districts, dramatically increasing the opportunities for sharing services among Orange County agencies.

**(6) Accountability for community service needs, including governmental structure and operational efficiencies.**

In addition to the Fiscal Trends and Shared Services Programs, Orange County LAFCO has initiated additional studies and stakeholder-driven programs to work toward ensuring that all Orange County communities are "whole and healthy" and receive equivalent levels of municipal services. In June 2011, staff completed a comprehensive county-wide assessment of water and sewer infrastructure using population projections through 2030. A "Community Islands Task Force" was initiated in December 2011 to facilitate LAFCO staff working proactively with the County and cities to encourage logical boundaries, effective governmental structure, and efficient delivery of services throughout the County.

Recently, the Commission directed staff to develop an interactive "public feedback" link on the agency's website that would allow interested agencies and the public to post comments and suggestions for LAFCO-related issues and projects and increase the agency's overall accountability and transparency. This link is anticipated to go "live" in the fall of 2013.

At the January 9, 2013 LAFCO meeting, the Commission formed the Governance Restructuring Committee composed of three commissioners who will work with staff to develop a strategy to assist agencies facing financial, regulatory and/or organizational challenges. The approach will leverage LAFCO's resources and may include, but not be limited to, the following:

- Reactivating the Orange County Leadership Symposium to build strategic relationships among elected officials and regional agency leaders.
- Sponsoring workshops for our member agencies on alternative strategies to address fiscal stress.
- Directing staff to work with the CALAFCO Legislative Committee to update Government Code Sections pertaining to disincorporation.
- Supporting the ongoing refinement of the Shared Services and Fiscal Trends Programs.

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

No additional issues have been specifically identified by the Commission at this time.

Table 3, below, identifies the web-based programs and special studies staff used to address the MSR determinations for Orange County's cities and special districts for the 2013 – 2018 MSR cycle.

**Table 3: Web Programs and Special Reports Used to Meet MSR Determinations (2013-2018)**

<b>MSR Determinations</b>	<b>Report/Web-based Program used to meet MSR Determinations</b>
Growth and Population Projections	Demographic Web Program, Sewer and Water Infrastructure Report
Location and Characteristics of Unincorporated Disadvantaged Communities	Demographic Web Program
Present and Planned Capacity of Public Facilities	Sewer and Water Infrastructure Report
Financial Ability of Agencies to Provide Services	Fiscal Trends Web Program
Opportunities for Shared Services	Shared Services Web Program
Accountability for Community Service Needs	Community Islands Task Force, Public Engagement Web Program
Other Matters as Determined by the Commission	No Issues Identified

**SPHERES OF INFLUENCE**

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequently to the preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. In determining the sphere of influence for

each local agency, the Commission is required by Government Code Section 56425(e) to consider certain factors, including:

- The present and planned uses in the area, including agricultural and open-space lands;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

With the exception of five agencies - Capistrano Bay Community Services District, Municipal Water District of Orange County, City of Laguna Beach, City of Garden Grove and City of Stanton (discussed below) - the remaining agency SOIs do not warrant further study at this time. Exhibit A, below, lists the spheres of influence for the 64 agencies that staff is recommending for Commission reconfirmation. No significant issues were identified during staff's review, and the data analysis included within each of the agencies' respective SOI reviews remains current. Recent sphere of influence maps were provided by staff to each agency for their review and comment. Given the lack of sphere-related issues for these agencies, staff is recommending that the Commission "reconfirm" the previous SOI determinations for each of these agencies for the 2013-2018 MSR cycle.

**Exhibit A - Spheres of Influence Proposed for Reconfirmation**

<b>Cities</b>	<b>Special Districts</b>
City of Aliso Viejo	Buena Park Library District
City of Anaheim	*County Service Area 13 (La Mirada)
City of Brea	*County Service Area 20 (La Habra)
City of Buena Park	*County Service Area 22 (East Yorba Linda)
City of Costa Mesa	County Service Area 26 (OC Parks)
City of Cypress	Costa Mesa Sanitary District
City of Dana Point	Cypress Recreation & Park District
City of Fountain Valley	East Orange County Water District
City of Fullerton	Emerald Bay Community Services District
City of Huntington Beach	El Toro Water District
City of Irvine	Garden Grove Sanitary District
City of La Habra	Irvine Ranch Water District
City of La Palma	Laguna Beach County Water District
City of Laguna Hills	Midway City Sanitary District
City of Laguna Niguel	Mesa Consolidated Water District
City of Laguna Woods	Moulton Niguel Water District
City of Lake Forest	Orange County Cemetery District

Cities	Special Districts
City of Los Alamitos	Orange County Sanitation District
City of Mission Viejo	Orange County Vector Control District
City of Newport Beach	Orange County Water District
City of Orange	Placentia Library District
City of Placentia	Rossmoor Community Services District
City of Rancho Santa Margarita	Rossmoor/Los Alamitos Sewer District
City of San Clemente	Santa Margarita Water District
City of San Juan Capistrano	Serrano Water District
City of Santa Ana	Silverado-Modjeska Recreation & Park District
City of Seal Beach	South Coast Water District
City of Tustin	Sunset Beach Sanitary District
City of Villa Park	Surfside Colony Community Services Tax District
City of Westminster	Surfside Colony Stormwater Protection District
City of Yorba Linda	Three Arch Bay Community Services District
	Trabuco Canyon Water District
	Yorba Linda Water District
<b>Total = 31 Cities</b>	<b>Total = 33 Special Districts</b>

**Agencies with Outstanding Sphere of Influence Issues**

*Capistrano Bay Community Services District*

The Capistrano Bay Community Services District (CBCSD) has requested that a parcel located outside of the District sphere of influence be removed from the District's boundary. The beachfront parcel is currently undeveloped open space; staff is researching the services provided to the parcel and the agencies responsible for service provision and maintenance. Staff is recommending that the CBCSD sphere boundary be continued to give staff an opportunity to analyze this issue and bring back a sphere recommendation for Commission consideration at a future date.

*Municipal Water District of Orange County*

The Municipal Water District of Orange County (MWDOC) has requested that the District sphere be expanded to include the Fremont Canyon area. The area is currently undeveloped; however should the area develop it would need to be in the MWDOC service area to receive imported water. Staff is recommending that the MWDOC sphere boundary be continued to allow staff an opportunity to analyze this issue further and bring back a sphere recommendation for Commission consideration at a future date.

*City of Laguna Beach*

The City of Laguna Beach has requested that their sphere of influence be increased to include both the El Morro Elementary School and the El Morro Campground at Crystal Cove State Park. Water and sewer service to the area is presently provided by special districts (Irvine Ranch Water District and Laguna Beach County Water District respectively). However, the City has indicated established communities of interest with the El Morro Elementary School serving as one of two schools available for Laguna Beach residents. The City has asked LAFCO consider a

sphere of influence amendment to allow for increased service provision to the area. Additional time is needed for staff to adequately analyze this request. Staff recommends that the Commission continue the Laguna Beach sphere and have staff return with a sphere recommendation at a future date.

*Cities of Garden Grove and Stanton*

Property owners of the Carmel/Lampson small island, currently located with the City of Stanton sphere of influence, are working with the City of Garden Grove on potential annexation. (See “Bordering Five Islands” Section, below.) Until all issues are resolved, staff is recommending that no action be taken on either the City of Stanton or City of Garden Grove sphere of influence.

**“Bordering Five” Islands**

In 2012, the Commission directed staff to review the SOIs of five unincorporated islands located between two cities to determine if sphere of influence changes were warranted or if the “status quo” best supported OC LAFCO’s long-term service provision plan for these islands. The following islands were identified for review:

- Beach/McFadden (currently within the Westminster SOI)
- Carmel/Lampson (currently within the Stanton SOI)
- Lincoln/Glassell (currently within the Orange SOI)
- Santiago Creek (currently within the Orange SOI)
- Santa Ana Country Club/South Mesa (currently within the Costa Mesa SOI)

Over the past several months, LAFCO staff participated in discussions with city managers and staff on the “Bordering 5” Islands. None requested any change to their City’s sphere of influence at this time. All four affected cities provided updates to staff regarding ongoing governance efforts:

- The City of Westminster continues to work cooperatively with the County to provide specific services through contract to unincorporated residents within their sphere. The County recently renewed several cooperative agreements with the City of Westminster to provide graffiti removal, street sweeping, landscape maintenance and emergency repair services for the unincorporated islands within the City’s sphere.
- The City of Orange current provides several municipal services, including water and sewer, to four unincorporated islands within its sphere, including the Santiago Creek and Lincoln/Glassell Islands. LAFCO staff met with City staff and they continue to support the City’s current sphere boundary. Staff recommends reconfirming the Orange sphere.
- The City of Costa Mesa also supports maintaining its current sphere of influence. The City has previously expressed interest in annexing its remaining islands, including the Santa Ana Country Club/South Mesa Island. However, the Santa Ana Country Club, a privately owned golf course located within the Costa Mesa sphere, has long favored eventual annexation to the City of

Newport Beach. The Commission has historically identified Costa Mesa as the most logical service provider for this area. Staff recommends reconfirming the City's current sphere of influence.

- The Carmel/Lampson Island has been in Stanton's SOI since 1974. The sphere was reviewed and reaffirmed by the Commission in 1984, 2006, and 2008. In April 2012, the Carmel/Lampson Island was considered for annexation to the City of Stanton by LAFCO but was continued to allow the property owners an opportunity to discuss their governance options with the bordering City of Garden Grove.

Since the April 2012 hearing, the property owners of the Carmel/Lampson Island have continued discussions with the City of Garden Grove to annex the island. The Garden Grove City Council has recently expressed support in the property owner's annexation efforts. In May 2012, the property owners filed an annexation application with LAFCO. The City of Garden Grove continues to work with the property owners to move the annexation process forward.

Consideration of the annexation application (and respective SOI changes) by LAFCO is tentatively scheduled for summer 2013. Based on the current progress, staff recommends the Commission take no action on the sphere of influence for either the City of Garden Grove or the City of Stanton until the joint efforts between the landowners, Garden Grove, and LAFCO are complete.

As previously stated, staff has met with those cities located adjacent to the "Bordering Five" islands that have been identified by the Commission (through the adoption of spheres of influence) as logical, long-term service providers for those unincorporated areas. Two of the cities (Westminster & Orange) currently provide some level of city services to their islands through cooperative agreements or directly by the cities. None of the cities requested a change in their sphere of influences at this time. Staff will continue communication with the affected cities and monitor any service-related issues to these islands.

### **South County Governance**

As the Rancho Mission Viejo Company prepares to open the initial neighborhoods of the Ranch Plan (approved in 2004 by the Board of Supervisors) in the summer of 2013, the development of viable, long-term governance options for this unincorporated community will remain an ongoing priority for the landowner, the County, and LAFCO. Approved for up to 14,000 homes and a mix of commercial, retail and open space uses, the Ranch Plan represents one of the last, large-scale master-planned communities to be developed in Orange County. This master-planned community is expected to develop through six phases over the next 10 to 20 years. The initial phase, Sendero, has already broken ground, and model homes are expected to be open for public view in spring 2013.

Over the next year, LAFCO will engage in discussions with the landowner, the County, the surrounding cities of, San Juan Capistrano and San Clemente, and other service providers – including, but not limited to, the Santa Margarita Water District, Orange County Fire Authority, and the South Orange County Wastewater Authority - to facilitate a comprehensive, long-term

approach to municipal service delivery for this area. Pending completion of these discussions and a comprehensive analysis of governance and service alternatives, staff is recommending that the existing spheres of influence for the Cities of San Juan Capistrano and San Clemente be reconfirmed at this time.

In close proximity to the developing Rancho Mission Viejo property, the developed unincorporated communities of Coto de Caza, Las Flores, Wagon Wheel and Stonecliffe were placed within the City of Rancho Santa Margarita's sphere of influence by the Commission in May 2010. These communities will also play an integral role in planning for long-term service provision within the South County area. The unincorporated community of Ladera Ranch is located between the City of Mission Viejo and planning areas of the Ranch Plan, but is not in a city sphere. Staff is recommending that the existing spheres of influence for the Cities of Rancho Santa Margarita and Mission Viejo be reconfirmed at this time.

**PRELIMINARY EXEMPTION ASSESSMENT**

(Certificate of Determination  
When Attached to Notice of Exemption)

1. Name or description of project:	2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01)	
2. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):	The project include 69 public agencies in Orange County – <b>34 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda and <b>35 special districts</b> (Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).	
3. Entity or person undertaking project:	A. Orange County Local Agency Formation Commission (LAFCO)	
	B. Other (Private)	
	(1) Name	
	(2) Address	
4. Staff Determination:  The Commission’s Staff, having undertaken and completed a preliminary review of this project in accordance with the Commission's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further environmental assessment because:		
a. <input type="checkbox"/>	The proposed action does not constitute a project under CEQA.	
b. <input type="checkbox"/>	The project is a Ministerial Project.	
c. <input type="checkbox"/>	The project is an Emergency Project.	
d. <input checked="" type="checkbox"/>	The project constitutes a feasibility or planning study.	
e. <input type="checkbox"/>	The project is categorically exempt.	
	Applicable Exemption Class:	

f.	<input type="checkbox"/>	The project is statutorily exempt.	
		Applicable Exemption:	
g.	<input type="checkbox"/>	The project is otherwise exempt on the following basis:	
h.	<input type="checkbox"/>	The project involves another public agency which constitutes the Lead Agency.	
		Name of Lead Agency:	

Date: \_\_\_\_\_

Staff: \_\_\_\_\_

DRAFT

**NOTICE OF EXEMPTION**

TO: <input type="checkbox"/> Clerk of the Board of Supervisors or <input checked="" type="checkbox"/> County Clerk County of: Orange	FROM:           Orange County Local Agency Formation Commission 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701
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1.	Project Title:	2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01)
2.	Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):	<p>The project include 69 public agencies in Orange County – <b>34 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda and <b>35 special districts</b> (Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation &amp; Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation &amp; Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).</p>
3.	(a) Project Location – City:	The project area includes the boundaries of the 34 Orange County cities and the service boundaries of 35 special districts. Cities and special districts listed above.
	(b) Project Location – County:	Orange
4.	Description of nature, purpose, and beneficiaries of Project:	Adopt Municipal Service Review (MSR) determinations for the 69 public agencies identified above.
5.	Name of Public Agency approving project:	Orange County Local Agency Formation Commission

6. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Orange County Local Agency Formation Commission
7. Exempt status: (check one)	
(a) <input type="checkbox"/> Ministerial project.	
(b) <input type="checkbox"/> Not a project.	
(c) <input type="checkbox"/> Emergency Project.	
(d) <input type="checkbox"/> Categorical Exemption. State type and class number:	
(e) <input type="checkbox"/> Declared Emergency.	
(f) <input checked="" type="checkbox"/> Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
(g) <input type="checkbox"/> Other. Explanation:	
8. Reason why project was exempt:	The Municipal Service Review determinations are exempt from CEQA under CEQA Guidelines Section 15626: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.
9. Contact Person:	Carolyn Emery, Interim Executive Officer
Telephone:	(714) 834-2556
10. Attach Preliminary Exemption Assessment (Form "A") before filing.	

Date Received for Filing: \_\_\_\_\_

(Clerk Stamp Here)

\_\_\_\_\_  
Signature (Lead Agency Representative)

\_\_\_\_\_  
Title

**PRELIMINARY EXEMPTION ASSESSMENT**

(Certificate of Determination  
When Attached to Notice of Exemption)

1. Name or description of project:	2013-2018 and Sphere of Influence Updates for Orange County Cities and Special Districts (SOI 13-02)	
2. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):	The project include 64 public agencies in Orange County – <b>31 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Huntington Beach, Irvine, Laguna Beach, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda and <b>33 special districts</b> (Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).	
3. Entity or person undertaking project:	A. Orange County Local Agency Formation Commission (LAFCO)	
	B. Other (Private)	
	(1) Name	
	(2) Address	
4. Staff Determination:  The Commission’s Staff, having undertaken and completed a preliminary review of this project in accordance with the Commission's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further environmental assessment because:		
a. <input type="checkbox"/>	The proposed action does not constitute a project under CEQA.	
b. <input type="checkbox"/>	The project is a Ministerial Project.	
c. <input type="checkbox"/>	The project is an Emergency Project.	
d. <input checked="" type="checkbox"/>	The project constitutes a feasibility or planning study.	
e. <input type="checkbox"/>	The project is categorically exempt.	
	Applicable Exemption Class:	
f. <input type="checkbox"/>	The project is statutorily exempt.	
	Applicable Exemption:	

g. <input type="checkbox"/>	The project is otherwise exempt on the following basis:	
h. <input type="checkbox"/>	The project involves another public agency which constitutes the Lead Agency.	
	Name of Lead Agency:	

Date: \_\_\_\_\_

Staff: \_\_\_\_\_

DRAFT

**NOTICE OF EXEMPTION**

TO: <input type="checkbox"/> Clerk of the Board of Supervisors or <input checked="" type="checkbox"/> County Clerk County of: Orange	FROM:                   Orange County Local Agency Formation Commission 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701
---	--

1.	Project Title:	2013-2018 and Sphere of Influence Updates for Orange County Cities and Special Districts (SOI 13-02)
2.	Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):	<p>The project include 64 public agencies in Orange County – <b>31 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Huntington Beach, Irvine, Laguna Beach, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda and <b>33 special districts</b> (Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation &amp; Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation &amp; Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).</p>
3.	(a) Project Location – City:	The project area includes the boundaries of the 31 Orange County cities and the service boundaries of 33 special districts. Cities and special districts listed above.
	(b) Project Location – County:	Orange
4.	Description of nature, purpose, and beneficiaries of Project:	Adopt Spheres of Influence (SOIs) boundaries and determinations for the 64 public agencies identified above.
5.	Name of Public Agency approving project:	Orange County Local Agency Formation Commission

6.	Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Orange County Local Agency Formation Commission
7.	Exempt status: (check one)	
(a)	<input type="checkbox"/> Ministerial project.	
(b)	<input type="checkbox"/> Not a project.	
(c)	<input type="checkbox"/> Emergency Project.	
(d)	<input type="checkbox"/> Categorical Exemption. State type and class number:	
(e)	<input type="checkbox"/> Declared Emergency.	
(f)	<input checked="" type="checkbox"/> Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
(g)	<input type="checkbox"/> Other. Explanation:	
8.	Reason why project was exempt:	The Spheres of Influence determinations are exempt from CEQA under CEQA Guidelines Section 15626: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.
9.	Contact Person:	Carolyn Emery, Interim Executive Officer
	Telephone:	(714) 834-2556
10.	Attach Preliminary Exemption Assessment (Form "A") before filing.	

Date Received for Filing: \_\_\_\_\_

(Clerk Stamp Here)

\_\_\_\_\_  
Signature (Lead Agency Representative)

\_\_\_\_\_  
Title

California Department of Fish and GameNo Effect Determination Request Form

To: DEPARTMENT OF FISH AND GAME

South Coast Regional Office  
 3883 Ruffin Road  
 San Diego, CA 92123  
 Information: (858) 467-4201  
 FAX: (858) 467-4299

<http://www.dfg.ca.gov>  
 Environmental Review and Permitting  
 1416 Ninth Street, Suite 1260  
 Sacramento, California 95814

Date Submitted:	
CEQA Lead Agency:	Orange County Local Agency Formation Commission
Lead Agency Contact Phone Number:	(714) 834-2556
Lead Agency Address:	12 Civic Center Plaza, Room 235, Santa Ana, CA 92701
SCH Number or County Filing Number and local agency project/case number:	
CEQA Document Type (the type of document prepared for your project by the CEQA Lead Agency):	Notice of Exemption
Applicant Name and Contact Phone Number (if applicable):	
Applicant Address (if applicable):	
Project Title:	2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01)
Project Location (include the street address, lat/long, range/township/section, or other description that clearly indicates the location of the project site. Include an aerial or topographic map of the project site):	The project include 69 public agencies in Orange County – <b>34 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda and <b>35 special districts</b> (Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library

	District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).
Project Description (include details such as new construction [with square footage], demolition of existing buildings, adaptive reuse of existing buildings, zoning amendments, general plan amendments, conditional use for sale of alcoholic beverages, etc.) Use additional sheets if necessary:	Amendments to the Cortese-Knox-Hertzberg Act in 2000 require that LAFCOs prepare Municipal Service Reviews (MSRs) every five years in conjunction with Sphere of Influence (SOI) updates for each city and special district. MSRs, in general, evaluate how agencies currently provide services and how they plan to deliver services in the future given changing demographic and fiscal trends.
Justification for No Effect Determination (explain how the proposed project is consistent with Title 14 Section 753.5(d) CCR):	CEQA Guidelines §15262 (Feasibility and Planning Studies)  The Municipal Service Review determinations are exempt from CEQA under CEQA Guidelines Section 15626: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.

Facts Supporting Fee Exemption:

1. An Initial Study has been prepared by the Lead Agency to evaluate the project's effects on fish and wildlife resources, if any.
2. The Lead Agency hereby finds that there is substantial evidence that the project will have no effect on fish or wildlife.
3. The project will have NO EFFECT on the following resources:
  - (A) Riparian land, rivers, streams, watercourses and wetlands;
  - (B) Native and non-native plant life and the soil required to sustain habitat for fish and wildlife;
  - (C) Rare and unique plant life and ecological communities dependant on plant life;
  - (D) Listed threatened and endangered plants and animals and the habitat in which they are believed to reside;
  - (E) All species listed as protected or identified for special management in the Fish and Game Code, the Public Resources Code, the Water Code or regulations adopted thereunder;
  - (F) All marine and terrestrial species subject to the jurisdiction of the Department of Fish and Game and the ecological communities in which they reside; and
  - (G) All air and water resources, the degradation of which will individually or cumulatively result in a loss of biological diversity among the plants and animals residing in that air and water.

DECLARATION:

Based on the Lead Agency's evaluation of potential adverse effects on fish and wildlife resources, the Lead Agency believes the project will have no effect on fish or wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Lead Agency Representative: Carolyn Emery  
 Title: Interim Executive Officer  
 Lead Agency: Orange County Local Agency Formation Commission  
 Date: February 13, 2013

California Department of Fish and GameNo Effect Determination Request Form

To: DEPARTMENT OF FISH AND GAME

South Coast Regional Office  
 3883 Ruffin Road  
 San Diego, CA 92123  
 Information: (858) 467-4201  
 FAX: (858) 467-4299

<http://www.dfg.ca.gov>  
 Environmental Review and Permitting  
 1416 Ninth Street, Suite 1260  
 Sacramento, California 95814

Date Submitted:	
CEQA Lead Agency:	Orange County Local Agency Formation Commission
Lead Agency Contact Phone Number:	(714) 834-2556
Lead Agency Address:	12 Civic Center Plaza, Room 235, Santa Ana, CA 92701
SCH Number or County Filing Number and local agency project/case number:	
CEQA Document Type (the type of document prepared for your project by the CEQA Lead Agency):	Notice of Exemption
Applicant Name and Contact Phone Number (if applicable):	
Applicant Address (if applicable):	
Project Title:	2013-2018 and Sphere of Influence Updates for Orange County Cities and Special Districts (SOI 13-02)
Project Location (include the street address, lat/long, range/township/section, or other description that clearly indicates the location of the project site. Include an aerial or topographic map of the project site):	The project include 64 public agencies in Orange County – <b>31 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Huntington Beach, Irvine, Laguna Beach, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda and <b>33 special districts</b> (Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation &

	Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).
Project Description (include details such as new construction [with square footage], demolition of existing buildings, adaptive reuse of existing buildings, zoning amendments, general plan amendments, conditional use for sale of alcoholic beverages, etc.) Use additional sheets if necessary:	Amendments to the Cortese-Knox-Hertzberg Act in 2000 require that LAFCOs prepare Municipal Service Reviews (MSRs) every five years in conjunction with Sphere of Influence (SOI) updates for each city and special district. MSRs, in general, evaluate how agencies currently provide services and how they plan to deliver services in the future given changing demographic and fiscal trends.
Justification for No Effect Determination (explain how the proposed project is consistent with Title 14 Section 753.5(d) CCR):	CEQA Guidelines §15262 (Feasibility and Planning Studies)  The Spheres of Influence determinations are exempt from CEQA under CEQA Guidelines Section 15626: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.

Facts Supporting Fee Exemption:

1. An Initial Study has been prepared by the Lead Agency to evaluate the project's effects on fish and wildlife resources, if any.
2. The Lead Agency hereby finds that there is substantial evidence that the project will have no effect on fish or wildlife.
3. The project will have NO EFFECT on the following resources:
  - (A) Riparian land, rivers, streams, watercourses and wetlands;
  - (B) Native and non-native plant life and the soil required to sustain habitat for fish and wildlife;
  - (C) Rare and unique plant life and ecological communities dependant on plant life;
  - (D) Listed threatened and endangered plants and animals and the habitat in which they are believed to reside;
  - (E) All species listed as protected or identified for special management in the Fish and Game Code, the Public Resources Code, the Water Code or regulations adopted thereunder;
  - (F) All marine and terrestrial species subject to the jurisdiction of the Department of Fish and Game and the ecological communities in which they reside; and
  - (G) All air and water resources, the degradation of which will individually or cumulatively result in a loss of biological diversity among the plants and animals residing in that air and water.

DECLARATION:

Based on the Lead Agency's evaluation of potential adverse effects on fish and wildlife resources, the Lead Agency believes the project will have no effect on fish or wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

---

Lead Agency Representative: Carolyn Emery  
 Title: Interim Executive Officer  
 Lead Agency: Orange County Local Agency Formation Commission  
 Date: February 13, 2013

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF ORANGE COUNTY, CALIFORNIA  
ADOPTING MUNICIPAL SERVICE REVIEW DETERMINATIONS FOR  
THE FOLLOWING CITIES AND SPECIAL DISTRICTS (MSR 13-01):**

**CITIES**

**ALISO VIEJO, ANAHEIM, BREA, BUENA PARK, COSTA MESA, CYPRESS, DANA POINT, FOUNTAIN VALLEY, FULLERTON, GARDEN GROVE, HUNTINGTON BEACH, IRVINE, LA HABRA, LA PALMA, LAGUNA BEACH, LAGUNA HILLS, LAGUNA NIGUEL, LAGUNA WOODS, LAKE FOREST, LOS ALAMITOS, MISSION VIEJO, NEWPORT BEACH, ORANGE, PLACENTIA, RANCHO SANTA MARGARITA, SAN CLEMENTE, SAN JUAN CAPISTRANO, SANTA ANA, SEAL BEACH, STANTON, TUSTIN, VILLA PARK, WESTMINSTER, AND YORBA LINDA.**

**SPECIAL DISTRICTS**

**BUENA PARK LIBRARY DISTRICT, CAPISTRANO BAY COMMUNITY SERVICES DISTRICT, COSTA MESA SANITARY DISTRICT, COUNTY SERVICE AREA 13 (LA MIRADA), COUNTY SERVICE AREA 20 (LA HABRA), COUNTY SERVICE AREA 22 (EAST YORBA LINDA), COUNTY SERVICE AREA 26, (OC PARKS), CYPRESS RECREATION & PARK DISTRICT, EAST ORANGE COUNTY WATER DISTRICT, EL TORO WATER DISTRICT, EMERALD BAY COMMUNITY SERVICES DISTRICT, GARDEN GROVE SANITARY DISTRICT, IRVINE RANCH WATER DISTRICT, LAGUNA BEACH COUNTY WATER DISTRICT, MESA CONSOLIDATED WATER DISTRICT, MIDWAY CITY SANITARY DISTRICT, MOULTON NIGUEL WATER DISTRICT, MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, ORANGE COUNTY CEMETERY DISTRICT, ORANGE COUNTY SANITATION DISTRICT, ORANGE COUNTY VECTOR CONTROL DISTRICT, ORANGE COUNTY WATER DISTRICT, PLACENTIA LIBRARY DISTRICT, ROSSMOOR COMMUNITY SERVICES DISTRICT,**

**ROSSMOOR/LOS ALAMITOS SEWER DISTRICT, SANTA MARGARITA WATER DISTRICT, SERRANO WATER DISTRICT, SILVERADO-MODJESKA RECREATION & PARK DISTRICT, SOUTH COAST WATER DISTRICT, SUNSET BEACH SANITARY DISTRICT, SURFSIDE COLONY STORMWATER PROTECTION DISTRICT, SURFSIDE COLONY COMMUNITY SERVICES TAX DISTRICT, THREE ARCH BAY COMMUNITY SERVICES DISTRICT, TRABUCO CANYON WATER DISTRICT, AND YORBA LINDA WATER DISTRICT**

**FEBRUARY 13, 2013**

On motion of Commissioner \_\_\_\_\_, duly seconded and carried, the following resolution was adopted:

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence, the Commission shall conduct Municipal Service Reviews (MSRs) prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Commission has completed two previous cycles of MSRs, and has developed a new, web-based approach to address the seven MSR determinations which will provide ongoing monitoring tools for Orange County's local agencies; and

WHEREAS, the Commission is adopting a single set of MSR determinations for all of Orange County's cities and special districts;

WHEREAS, the report for the MSR identified in this Resolution (MSR 13-01) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the cities and districts; and

WHEREAS, copies of the MSR reports and statements of determination for each of the cities and special districts identified in this Resolution are available for public review in the LAFCO offices and on the LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set February 13, 2013 as the hearing date on this MSR proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the adoption of MSR determinations for the following cities: Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, La Palma, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda; and

WHEREAS, the proposal consists of the adoption of MSR determinations for the following special districts: Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District.

WHEREAS, this Commission called for and held a public hearing on the proposal on February 13, 2013, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the adoption of MSR statements of determination was determined to be categorically exempt under the State CEQA Guidelines.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The “2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01)” together with the written statement of determination, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Section 2. Determinations

- a) The Executive Officer’s staff report and recommendations for adoption of MSR determinations for the following cities, dated February 13, 2013, are hereby adopted: Aliso Viejo, Anaheim, Brea, Buena park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, La Palma, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda.
- b) The Executive Officer’s report and recommendations for adoption of MSR determinations for the following special districts, dated February 13, 2013, are hereby adopted: Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks),

Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District.

Section 3. This review is assigned the following distinctive short-form designation: “2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01);”

Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

STATE OF CALIFORNIA )

) SS.

COUNTY OF ORANGE )

I, SUSAN WILSON, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 13<sup>th</sup> day of February, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand this 13<sup>th</sup> day of February, 2013.

SUSAN WILSON  
Chair of the Orange County  
Local Agency Formation Commission

By: \_\_\_\_\_  
Susan Wilson

DRAFT

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF ORANGE COUNTY, CALIFORNIA  
RECONFIRMING THE SPHERES OF INFLUENCE  
FOR THE FOLLOWING CITIES AND SPECIAL DISTRICTS (SOI 13-02):**

**CITIES**

**ALISO VIEJO, ANAHEIM, BREA, BUENA PARK, COSTA MESA, CYPRESS, DANA POINT, FOUNTAIN VALLEY, FULLERTON, HUNTINGTON BEACH, IRVINE, LA HABRA, LA PALMA, LAGUNA HILLS, LAGUNA NIGUEL, LAGUNA WOODS, LAKE FOREST, LOS ALAMITOS, MISSION VIEJO, NEWPORT BEACH, ORANGE, PLACENTIA, RANCHO SANTA MARGARITA, SAN CLEMENTE, SAN JUAN CAPISTRANO, SANTA ANA, SEAL BEACH, TUSTIN, VILLA PARK, WESTMINSTER, AND YORBA LINDA.**

**SPECIAL DISTRICTS**

**BUENA PARK LIBRARY DISTRICT, COSTA MESA SANITARY DISTRICT, COUNTY SERVICE AREA 13 (LA MIRADA), COUNTY SERVICE AREA 20 (LA HABRA), COUNTY SERVICE AREA 22 (EAST YORBA LINDA), COUNTY SERVICE AREA 26, (OC PARKS), CYPRESS RECREATION & PARK DISTRICT, EAST ORANGE COUNTY WATER DISTRICT, EL TORO WATER DISTRICT, EMERALD BAY COMMUNITY SERVICES DISTRICT, GARDEN GROVE SANITARY DISTRICT, IRVINE RANCH WATER DISTRICT, LAGUNA BEACH COUNTY WATER DISTRICT, MESA CONSOLIDATED WATER DISTRICT, MIDWAY CITY SANITARY DISTRICT, MOULTON NIGUEL WATER DISTRICT, ORANGE COUNTY CEMETERY DISTRICT, ORANGE COUNTY SANITATION DISTRICT, ORANGE COUNTY VECTOR CONTROL DISTRICT, ORANGE COUNTY WATER DISTRICT, PLACENTIA LIBRARY DISTRICT, ROSSMOOR COMMUNITY SERVICES DISTRICT, ROSSMOOR/LOS ALAMITOS SEWER DISTRICT, SANTA MARGARITA WATER DISTRICT, SERRANO WATER DISTRICT, SILVERADO-MODJESKA**

**RECREATION & PARK DISTRICT, SOUTH COAST WATER DISTRICT,  
SUNSET BEACH SANITARY DISTRICT, SURFSIDE COLONY  
STORMWATER PROTECTION DISTRICT, SURFSIDE COLONY  
COMMUNITY SERVICES TAX DISTRICT, THREE ARCH BAY  
COMMUNITY SERVICES DISTRICT, TRABUCO CANYON WATER  
DISTRICT, AND YORBA LINDA WATER DISTRICT**

**FEBRUARY 13, 2013**

On motion of Commissioner \_\_\_\_\_, duly seconded and carried, the following resolution was adopted:

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission (“LAFCO”) adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, the California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews (MSRs) prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, Orange County LAFCO has previously reviewed and adopted Sphere of Influence updates for Orange County cities and special districts during the initial MSR/SOI update cycle as required by Government Code Section 56425, and during the second MSR/SOI cycle (2008-2013); and

WHEREAS, on February 13, 2013, Orange County LAFCO adopted new MSR determinations for Orange County’s cities and special districts; and

WHEREAS, the information and findings contained in the MSR and SOI updates for each of the cities and special districts identified in this Resolution are current and do not raise any significant boundary or service-related issues; and

WHEREAS, copies of the MSR and SOI reports, SOI maps, and statements of determination for each of the cities and special districts identified in this Resolution have been previously reviewed by the Commission and are available for public review in the LAFCO offices and on the LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set February 13, 2013 as the hearing date on this MSR and SOI study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the reconfirmation of the spheres of influence for the following cities: Aliso Viejo, Anaheim, Brea, Buena park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Huntington Beach, Irvine, La Habra, La Palma, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda; and

WHEREAS, the proposal also consists of the reconfirmation of the spheres of influence for the following special districts: Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District; and

WHEREAS, this Commission called for and held a public hearing on the proposal on February 13, 2013, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the reconfirmation of existing spheres of influence was determined to be categorically exempt under the State CEQA Guidelines.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The “2013-2018 Sphere of Influence Update for Orange County Cities and Special Districts and (SOI 13-02)” together with the written statement of determination, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Section 2. Determinations

- a) The Executive Officer’s staff report and recommendations for reconfirmation of the current spheres of influence, including the sphere of influence maps attached hereto, for the following cities, dated February 13, 2013, are hereby adopted: Aliso Viejo, Anaheim, Brea, Buena park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Huntington Beach, Irvine, La Habra, La Palma, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach,

Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda.

- b) The Executive Officer's staff report and recommendations for reconfirmation of the current spheres of influence, including the sphere of influence maps attached hereto, for the following special districts, dated February 13, 2013, are hereby adopted: Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District.

Section 3. This review is assigned the following distinctive short-form designation: "2013-2018 Sphere of Influence Update for Orange County Cities and Special Districts and (SOI 13-02)."

Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.



**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street, Suite #100, Sacramento, California 95814**  
**(916) 874-6458**

**MUNICIPAL SERVICE REVIEW WORKSHEET**  
**AND QUESTIONNAIRE**  
**DISTRICT PROFILE**

Date:

Agency Name:

Address:

Website:

Telephone: (FAX)

Administrator Name:

Title:

Name of Contact:

Contact's E-mail Address:

Agency's Principle Act:

Services Provided:

Latent Powers:

Governing Body:

Total Number of Employees:

# Represented

# Unrepresented

Acreage/ sq. Miles within Agency:

Total Population within Agency:

Total Registered Voters within Agency:

## **INTRODUCTION**

### **Background Information**

The \_\_\_\_\_ District is an Independent/Dependant Special District.

- **Mission:**
- **Setting:**  
(Please attach map of the district boundary)

### **History**

The District was formed in \_\_\_\_\_. The District was established to provide \_\_\_\_\_ services  
(Please feel free to provide historical context.)

### **Services Provided**

### **Management and Staffing Structure**

#### **Management Structure**

#### **Employment Structure**

The District employs: \_\_\_\_\_ full time positions.

In addition, the District employs on average \_\_\_\_\_ part-time, \_\_\_\_\_ seasonal and \_\_\_\_\_ positions.

Please attach organization chart.

- The type and purpose of contracts and consultants.
- Please feel free to mention any awards or recognition the agency has received.
- Describe ongoing training and personnel policies.
- Are salaries and pay scales comparable/ competitive with regional and industry standards?
- Is organization structure similar with like service providers?

## **Municipal Service Review Information and Determinations**

### **1. Growth and Population Projections (This provides the public with a “snapshot” of your community.)**

Type of Information to be provided:

- What is the current level of demand for services?
- What is the projected demand for services?
- Please provide growth rate and population projections.
- Please provide any other information relevant to planning for future growth or changing demographics.

### **LAFCo MSR Determination**

LAFCo to Complete

**2. Facilities and Programs**

**A. Facilities**

**Summary of Facilities (Parks, Physical Plant)**

NAME	LOCATION	SIZE (Acres)	AMENITIES/SPECIAL FEATURES	DESCRIPTION

(Attach additional page if necessary)

Please attach Facilities Map.

**Present and Planned Capacity of Public Facilities**

- What is the current and projected service capacity?
- What is the level of adequacy of services and facilities to serve current and future population?
- What Performance Measures are used by the District to determine service adequacy?

**Infrastructure Needs or Deficiencies/Capital Improvement Program**

- Describe the District's Capital Improvement Program, as applicable.

- Describe deferred maintenance strategy.
- Describe policies and practices for depreciation and replacement of infrastructure.
- How will new or upgraded infrastructure and deferred maintenance be financed?
- List infrastructure deficiencies, if any; indicate if deficiencies have resulted in permit or other regulatory violations; if necessary, explain how deficiencies will be addressed.
- Provide evidence of compliance with applicable regulatory standards (for example, CA R-39-97 (Certified Playground Safety Standards) for Recreation and Parks Districts)

**B. Programs**

**Summary of Programs (Recreation, Education, Conservation, etc.)**

NAME	LOCATION(S)	SIZE (# Participants)	DESCRIPTION

(Attach additional page if necessary)

**LAFCo Determination**

LAFCo to Complete

### **3. Financial Information**

#### **Budget (Please attach current budget.)**

##### **Revenue**

- Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, rentals, assessments, grants, etc.).

##### **Rates, Fees, Charges, and Assessments**

- Describe rate setting methodology.
- Explain constraints associated with agency's ability to generate revenue. What options are available – special assessments/ special taxes/ increases in sales tax/impact fees/grants, etc.?
- Please provide a comparison of rates and charges with similar service providers (favorable or less so).
- Describe revenue constraints.

##### **Expenditures**

- Describe the agency's Service Levels compared to industry standards and measurements.
- Describe the Cost of Service compared to industry standards and measurements.

##### **Assets, Liabilities, Debt, Equity, and Reserves**

- Provide the Book Value of Assets.
- Provide a list of equipment, land, and other fixed assets.
- Provide a summary of long term debt and liabilities.
- Explain the agency's bond rating; discuss reason for rating. Discuss amount and use of existing debt. Describe proposed financing and debt requirements.
- Describe policies and procedures for investment practices
- Describe policies and procedures for establishing and maintaining reserves/retained earnings.

- What is the dollar limit of reserves/retained earnings?
- What is the ratio of undesignated, contingency, and emergency reserves to annual gross revenue?

**Summary of Revenue Sources**

<b>Fiscal Year</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>Projected</b>
Property Taxes					
Interest					
Rental Income					
HPTR					
In-Lieu Fees					
State & Federal Grants					
Recreation Fees & Grants					
Miscellaneous					
Fund Balance Available					
<b>Total</b>					

**Summary of Expenditures**

<b>Fiscal Year</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>Projected</b>
Salaries & Wages					
Services & Supplies					
Long-Term Debt					
Capital Improvements <sup>1</sup>					
Equipment					
Contingency <sup>2</sup>					
<b>Total</b>					

1. Identify Sources of Funding:
2. Fixed or Variable?

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**Summary of Financial and Operational Information**

	<b>2009/10</b>
Population	
Area Served	
Developed Real Estate	
Undeveloped Real Estate	
Service Standard Ratios <sup>1</sup>	
Full Time Employees	
Average Part-Time Employees	
Total Annual Budget	
Per Capita Spending	
Total Annual Administrative Costs	
% Annual Administrative Costs to Total	
Estimated Deferred Maintenance	
Average Capital Improvements (5 Years)	
Reserve Amount	
Operational Cost per Employee	
Average Property Tax Rate	

1. For example, Park acres per 1000 residents

**LAFCo Determination**

LAFCo to Complete

**4. Status of and Opportunities for Innovation and Shared Facilities**

- a) Describe existing and/or potential shared facilities, infrastructure, and staff. Describe any joint power agreements or other agreements for sharing resources with other agencies.
- b) Describe existing and/or potential joint use planning.
- c) Describe existing and/or potential duplication with existing or planned facilities or services with other agencies.
- d) Describe availability of any excess capacity to serve customers or other agencies.
- e) Describe any economies of scale in shared purchasing power, and any other cost-sharing opportunities that can be implemented by joint use or sharing resources.
- f) Describe any duplication (overlap), or gaps in services or boundaries.
- g) Describe ongoing cost avoidance practices. (For example, if you hire contract vs. in-house employees, is the bidding process cost effective and efficient)?
- h) Describe any opportunities to reduce overhead and operational costs.
- i) Describe any opportunities to reduce duplication of infrastructure.
- j) Identify any areas outside agency boundary which could be efficiently served by existing or proposed agency facilities.
- k) Identify any areas within agency boundary which could be more efficiently served by another agency.
- l) Are your service plans compatible with those of other local agencies?

**LAFCo Determination**

LAFCo to Complete

5. **Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies**

- a) Explain the composition of the agency's governing board.
- Number of Directors:
  - Nature/ Length of Terms:
  - Is governing body landowner or population based?
  - Are Directors elected or appointed?
  - Are elections or appointments at large or by district?
- b) Explain compensation and benefits provided to the governing board, including any benefits that continue after term of service.
- c) Where and how frequently does the governing board meet?
- d) Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc.
- How is public participation encouraged?
  - Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, etc.?
- e) Describe public education/outreach efforts, (i.e., newsletters, bill inserts, website, etc.)
- f) Describe level of public participation, and ways that staff and Directors are accessible to the public.
- g) Describe ability of public to access information and agency reports.
- h) Describe any opportunities to eliminate service islands, peninsulas and other illogical service areas.

**LAFCo Determination**

LAFCo to Complete

**6. Issues, Concerns and Opportunities**

Please provide information regarding any issues or concerns related to operations (financial, managerial, legal, organizational, etc.)

- Compliance with Environmental Justice requirements
- Compliance with regulatory reporting requirements
- Compliance with regulatory agencies and public health and safety issues.

**LAFCo Determination**

To be completed by LAFCo

Attachments:

District Map  
Facilities Map  
Organization Chart  
Budget



***RESOLUTION No. LAFC 2014-07-0903-08-14***

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

***APPROVING WRITTEN DETERMINATIONS FOR THE  
COURTLAND FIRE PROTECTION DISTRICT MUNICIPAL SERVICE REVIEW  
AND SPHERE OF INFLUENCE UPDATE (LAFC 08-14)***

**WHEREAS**, Section 56430 of the Cortese-Knox Local Government Reorganization Act of 2000 requires that LAFCo's conduct municipal service reviews prior to, or in conjunction with, consideration of actions to establish a Sphere of Influence (SOI) as defined in Section 56076, and in accordance with Section 56425 or Section 56426.5, or update a SOI pursuant to Section 56425; and

**WHEREAS**, as part of such reviews, LAFCo's must compile and evaluate service-related information and make written determinations regarding infrastructure needs or deficiencies, growth and population projections for the affected area, financing constraints and opportunities, cost avoidance opportunities, opportunities for rate restructuring, opportunities for shared facilities, government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, evaluation of management efficiencies, and local accountability and governance; and

**WHEREAS**, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION initiated a municipal service review of the COURTLAND FIRE PROTECTION DISTRICT, in the County of Sacramento, on August 6, 2014; and

**WHEREAS**, staff of the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION consulted with district personnel, affected and interested agencies, interested parties; and

**WHEREAS**, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION issued a Draft Municipal Service Review and Sphere of Influence Update of the COURTLAND FIRE PROTECTION DISTRICT on August 6, 2014, and provided a 25-day public comment review period of said document to the date of September 3, 2014; and

**WHEREAS**, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION considered the data, recommendations and determinations contained in the Draft Municipal Service Review at a noticed public hearing held on August 6, 2014, and received all oral testimony and evidence which was made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to the review; and

**WHEREAS**, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION prepared the Final MUNICIPAL SERVICE REVIEW AND UPDATED SPHERE OF INFLUENCE FOR COURTLAND FIRE PROTECTION DISTRICT, dated September 3, 2014, incorporating comments received where appropriate; and

**WHEREAS**, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION considered the data, recommendations and determinations contained in the Final Municipal Service Review at a noticed public hearing held on September 3, 2014, and received all oral testimony and evidence

which was made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to the review, its data, recommendations and determinations; and

**WHEREAS**, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION considered project related environmental factors and determined that the subject project is Exempt from the provisions of the California Environmental Quality Act pursuant to Section 15061(b)(3), attached hereto as Exhibit A;

**NOW, THEREFORE, BE IT RESOLVED** that, pursuant to powers provided in Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, that the Local Agency Formation Commission of the County of Sacramento adopts written determinations as set forth below, Final MUNICIPAL SERVICE REVIEW AND UPDATED SPHERE OF INFLUENCE FOR COURTLAND FIRE PROTECTION DISTRICT, dated September 3, 2014.

**Sphere of Influence Determination:**

The Sphere of Influence for the Courtland Fire Protection District shall remain coterminous with its current District boundary.

**Municipal Service Review Determinations:**

The Sacramento Local Agency Formation Commission makes the following written determinations:

- a. Regarding infrastructure needs or deficiencies, the Commission determines that the District currently has no immediate unmet infrastructure needs or existing deficiencies at the current levels of coverage and service response. Courtland Fire Protection District is an effective fire district as it relates to emergency responses related to fire, medical aid and other critical services. The Courtland Fire Protection District serves a rural population with predominately volunteer firefighters from the local community and it has mutual aid agreements with Wilton Fire District, the Walnut Grove Fire District, the City of Sacramento and the Cosumnes Community Services District.
- b. Regarding growth and population projections for the affected area, the Commission determines the District is capable of providing service that includes the growth and population projections for the affected territory for the next five years.
- c. Regarding financing constraints and opportunities, the Commission determines that the District has no serious financing constraints at this time.
- d. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to take advantage of all reasonable cost avoidance opportunities.
- e. Regarding opportunities for rate restructuring, the Commission determines that the District's Tax Rate Area method of financing is reasonable for providing emergency services.
- f. Regarding opportunities for shared facilities, the Commission determines that the District shares facilities with other agencies and continually reviews new opportunities to do so. The District participates with the Sacramento Fire/ EMS Communication Center.
- g. Regarding government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines that the District currently provides services primarily to a specific geographic area containing 33

square miles. Services are provided primarily by approximately 25 volunteers and one full-time Fire Chief. The District has two fire stations. There are not any benefits to consolidation or reorganization of district operations at this time.

- h. Regarding evaluation of management efficiencies, the Commission determines the District operates with a high degree of efficiency and professional cooperation with the community and other private/public agencies.
- i. Regarding local accountability and governance, the Commission determines that the District's Board of Directors represents an adequate level of Special District accountability and governance. The District is represented by three directors elected at-large.

The Executive Officer is instructed to:

- a. Mail a certified copy of this Resolution to the Courtland Fire Protection District.
- b. File the Notice of Exemption with the County Clerk in accordance with the California Environmental Quality Act.

**BE IT FURTHER RESOLVED** that Resolution No. **LAFCo 2014-07-0903-08-14** was adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**, on the **3rd day of September 2014**, by the following vote, to wit:

	Motion	2nd	Aye	No	Absent	Abstain
Susan Peters			<u>X</u>			
Ron Greenwood	<u>X</u>		<u>X</u>			
Allen Warren					<u>X</u>	
Mike Singleton					<u>X</u>	
Jimmie Yee			<u>X</u>			
Gay Jones			<u>X</u>			
Christopher Tooker		<u>X</u>	<u>X</u>			

Commission Vote Tally      Aye 5    No 0    Absent 2    Abstain \_\_\_\_\_  
 Passed                      Yes X    No \_\_\_\_\_

By: Jimmie R Yee  
**Jimmie Yee, Immediate Past Chair**  
**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

ATTEST: Diane Thorpe  
**Diane Thorpe**  
**Commission Clerk**

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
1112 I Street #100  
Sacramento, California 94814  
(916) 874-6458

September 3, 2014

**TO:** Sacramento Local Agency Formation Commission

**FROM:** Peter Brundage, Executive Officer

**RE:** **FINAL COURTLAND FIRE PROTECTION DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE (08-14)**

**CONTACT:** Donald J. Lockhart AICP, Assistant Executive Officer  
Donald.Lockhart@SacLAFCo.org 874-2937

**RECOMMENDATION**

Staff recommends that the Sacramento Local Agency Formation Commission accept the Final Municipal Service Review and Sphere of Influence Update for the Courtland Fire Protection District.

The Final Municipal Service Review (MSR) for the Courtland Fire Protection District and Sphere of Influence Update has been circulated for public review and comment for 30 days.

The Final MSR is the result of collaboration with the Courtland FPD Administration. Your staff would like to recognize the CFPD for their ongoing assistance.

**DISCUSSION**

The Draft MSR included a draft budget work sheet proposing that the CFPD Board establish a ten year set-aside account for equipment management, and begin a long term equipment replacement program. However, at the regular meeting on August 13, the Board voted to pursue alternative means of funding, yet to be determined.

**MUNICIPAL SERVICE REVIEW**

The Final Municipal Service Review (MSR) makes the following determinations:

- The Courtland Fire Protection District is an effective fire district as it relates to emergency responses related to fire, medical aid and other critical services. The Courtland Fire Protection District serves a rural population effectively and efficiently.

- Regarding growth and population projections for the affected area, the Commission determines that the Courtland Fire Protection District is capable of providing service that includes the growth and population projections for the affected territory for the next five years.
- Regarding infrastructure needs or deficiencies, the Commission determines that the Courtland Fire Protection District currently has no immediate unmet infrastructure needs or existing deficiencies at the current levels of coverage and service response.
- Regarding financing constraints and opportunities, the Commission determines that the Courtland Fire Protection District has no serious financing constraints at this time. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to take advantage of all reasonable cost avoidance and grant funding opportunities.
- Regarding opportunities for rate restructuring, the Commission determines that the District's Tax Rate Area method of financing is reasonable for providing emergency services. The District is a non-enterprise entity which does not charge fees for services, e.g., plan check and inspection fees for new development, due to the limited level of activity.
- Regarding opportunities for shared facilities, the Commission determines that the District shares facilities with other agencies and continually reviews new opportunities to do so. The District participates with the Sacramento Fire/ EMS Communication Center.
- Regarding government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines that the District currently provides services primarily to a clearly defined geographic area which is primarily rural and agricultural in nature.
- Regarding evaluation of management efficiencies, the Commission determines the District operates with a high degree of efficiency and professional cooperation with the community and other private/ public agencies. This cooperation is exemplified by the active participation in the quarterly South County Chiefs meetings.
- Regarding local accountability and governance, the Commission determines that the District's Board of Directors represents an adequate level of Special District accountability and governance. The District is an independent District governed by a three member Board of Directors elected at-large from the service territory.

**FINAL**  
MUNICIPAL SERVICE REVIEW

And

SPHERE OF INFLUENCE UPDATE

Courtland Fire Protection District

September 3, 2014

LAFC #08-14

Prepared By:

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**CORTESE -KNOX -HERTZBERG  
LOCAL GOVERNMENT REORGANIZATION ACT OF 2000**

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 requires that each Local Agency Formation Commission (LAFCo) prepare a Municipal Service Review and Spheres of Influence Updates for all cities and independent special districts within its jurisdiction.

A *Sphere of Influence* is defined by Government Code 56425 as:

A plan for the probable physical boundary and service area of a local agency or municipality.

A *Municipal Service Review* is defined by Government Code Section 56430 as: A means of identifying and evaluating public services.

A Municipal Service Review may be conducted prior to, or in conjunction with, the update of a Sphere of Influence, as necessary.

MUNICIPAL SERVICE REVIEW

Purpose

The Municipal Service Review is intended to provide adequate information for the Commission to make decisions related to both current Spheres of Influence (SOI) and SOI Amendments to determine logical service providers and boundaries, to initiate additional studies in the event that the Commission determines that adequate services are not being provided.

In addition to MSR's, annexations, reorganizations, consolidations, and incorporations require detailed master service plans, fiscal analysis and environmental analysis and other special studies as may be required for these types of action.

Requirements

The Commission shall include a written statement of its determinations with respect to each of the following:

- Growth and population projections for the affected area.
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- Financial ability of agencies to provide services.

- Status of, and opportunities for, shared facilities.
- Accountability for community service needs, including governmental structure and operational efficiencies.
- Any other matter related to effective or efficient service delivery, as required by Commission policy.

## **SPHERE OF INFLUENCE**

### **Purpose**

In order to carry out its purposes and responsibilities for planning and shaping logical and orderly development as well as the coordination of local governmental agencies so as to most advantageously provide for the present and future needs of the County and its communities, the Sacramento Local Agency Formation Commission must develop and determine the Sphere of Influence of each local governmental agency within the County.

### **Requirements**

When adopting, amending or updating a Sphere of Influence, the Commission shall, according to Government Code, do all of the following:

- Require districts to file written statements specifying the functions or classes of services provided.
- Establish the nature, location and extent of any functions or classes of services provided by the districts.

In determining the Sphere of Influence of each local agency, the Commission shall consider and prepare determinations with respect to each of the following:

- The present and planned land uses in the area, including agricultural and open space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.

## OVERVIEW

### Introduction

Sacramento County has an estimated population of approximately 1.4 million people. Public and municipal services are provided by the County, cities, and special districts. The local government structure in Sacramento County is somewhat unique because a significant amount of development has occurred in the unincorporated area from 1950 to the present. Consequently, municipal services to the unincorporated areas are primarily provided by the County, and/or dependent and independent Special Districts. During the past 15 years there have been three incorporations of urbanized areas: City of Citrus Heights, City of Elk Grove, and the City of Rancho Cordova. For the most part, the new cities continue to use the county and special districts for some municipal service providers. Only the Cities of Sacramento, Folsom and Galt (except fire and emergency services) provide the full array of municipal services.

Most of the fire districts in Sacramento County were formed during the 1940's. However, Galt, Elk Grove, Natomas, Rancho Cordova, and Rio Linda can trace establishment back to the 1920's. With the exception of the town of Freeport, fire and emergency services are provided either by cities or special districts for the entire county. Note: The Town of Freeport receives fire service primarily from the City of Sacramento, however, it does not lie within either a city or fire protection district boundary.

### **FIRE DISTRICTS**

Fire protection is an indispensable municipal service with which all areas in the County, regardless of their rural or urban nature, should be provided. Fire service is provided in the County of Sacramento by the Cities of Folsom and Sacramento, and eleven fire protection districts. The Board of Supervisors governs one district: Natomas Fire Protection District, ex officio. The other districts (which include the Cosumnes Community Services District) are independent special districts and are governed by elected Boards of Directors. There is one remaining area in the County that is not within any organized fire protection agency (see map). It contains the unincorporated community of Freeport. In addition to the eleven districts and two municipalities, Folsom State Prison provides fire protection services within Folsom State Prison and does not provide public protection. Finally, Sacramento International Airport provides rescue and fire support but does not provide emergency medical services.

Fire districts are formed and regulated pursuant to the Health and Safety Code, Section 13801 et seq. The enabling legislation authorizes fire districts to provide fire protection and ambulance and rescue services.

Seventy years ago, when the incorporated area was significantly less urbanized than it is today, fire protection was provided strictly on a volunteer basis. By 1940, increases in population and its attendant growth in fire and fire-related problems, created a need for more organized and widespread fire protection. Thus, the fire district system began to develop in the unincorporated area and professional fire fighting forces became full-time necessity. Districts developed from 1921 (Galt) through 1951 (North Highlands). However, in the more rural south County and Delta, the fire service remains largely staffed by volunteers. This is the case with Courtland FPD.

At the time of formation, fire districts normally encompassed the general area associated with each suburban or rural community. With the post-World War II rise in population and attendant

development, the old central establishments in these communities frequently gave way to large shopping centers. The old, large, rural parcels in the unincorporated areas became new housing tracts, while county roads became freeways or other major thoroughfares. New developments did not follow district boundaries.

Numerous attempts toward reorganizing the historical fire district formation have been made in the past. Such endeavors include studies conducted by the Spink Corporation (1968-69), Fire Service Area Study Committee (1970-72), Sacramento Local Agency Formation Commission (1977), and the Local Government Reorganization Commission (1979-81).

As a result of these studies, several political consolidations occurred: Alta Mesa-Wilton (1980); Arden-Carmichael (1983); Arden and Carmichael as American River (1983); North Highlands- Citrus Heights (1984); American River-Arcade (1986); Rio Linda and Elverta (1987); Citrus Heights and Rancho Cordova as Sacramento County (1989); Rio Linda-Elverta with American River (1990); Sloughhouse with American River (1990); Fair Oaks with Sacramento County (1993); Florin with American River (1997); American River with Sacramento County to form Sacramento Metropolitan Fire District (2000); Fruitridge with Pacific to form Fruitridge Pacific Fire Protection District (2006); Elk Grove Community Services District with Galt Fire Protection District to form Cosumnes Community Services District (2006).

### **General Background**

Fire Districts are formed and regulated pursuant to the California State Health and Safety Code, Section 13801, et. seq. The enabling legislation authorizes fire districts to provide fire protection, ambulance and rescue services. Fire districts in Sacramento County can be described as belonging to two broad categories: rural and urban. The definitions of rural and urban used here are developed in light of planning and zoning parameters, and in recognition of the development forces that have and are occurring in Sacramento County. The rural fire districts are generally found in the southern portion of the County and within the area known as the "Northwest Territories" located north of the City of Sacramento. Except for the unincorporated town of Freeport, fire districts serve the entire County.

### **Uniform Fire Code**

In July of 1972 the Sacramento County Board of Supervisors adopted a Uniform Fire Code. This ordinance provides that one fire code will be used for all fire agencies within the County. This code replaced and improved the various individual district codes that govern conditions hazardous to life and property from fire and explosion. The Uniform Fire Code does not standardize the operations of fire districts countywide, but it does speak to what the public can do with regard to inflammable/explosive material. State law requires that public buildings be inspected yearly for fire safety. Each district is responsible for inspection procedures, and these vary from district to district. Fire prevention in all districts is handled as an educational basis.

### **Communication**

The Sacramento Regional Fire/EMS Communications Center (SRFECC) provides fire and emergency medical dispatch services to the Sacramento region. The SRFECC is a Joint Powers Authority (JPA) that is managed by the following fire agencies: Cosumnes Community Services District, Folsom Fire

Department, Sacramento Fire Department, and Sacramento Metropolitan Fire District. For more information, please visit the following website: <http://www.srfecc.ca.gov/>

### Agency Cooperation-Mutual Aid and Automatic Response

All fire protection districts and city fire departments within Sacramento County have mutual aid and response agreements. When a call for service is received, the nearest available response unit is dispatched regardless of jurisdictional boundary.

### ISO Rating

The Insurance Service Office (ISO) is used to rate a fire district's ability to defend against major fires that might occur in the area it serves. The ISO rating procedure evaluates three principal features of fire protection as well as their weight of importance: water supply (40%), fire department staffing (50%), and communications (10%). The ISO devised a system that insurance companies use to compute fire insurance coverage and rates. The rating classes are numbered 1 through 10; the highest number represents the least protection with the highest fire insurance premium rates.

Some of the factors which are considered in the establishment of fire rating zones are: water supply, building codes and structural conditions of buildings, the distance of structures from the nearest fire station, the type of equipment and number of firefighters available at the station, and factors and distances between residences and local street access circulation.

When two numbers are included in an ISO rating, the first number refers to the rating for "watered" areas (areas with a water distribution system and hydrant system,) while the second number refers to "unwatered" areas. In rural areas of Sacramento County, ISO ratings are found to be higher e.g. 9, while urban districts are rated in a range running from 2 to 6 for watered areas.

### Finances

Independent special districts that provide fire protection and emergency medical services are funded primarily from property taxes and they are considered a non-enterprise district. City fire departments are typically funded by the city's General Fund that includes both property taxes, sales taxes, and a variety of other revenue sources.

The passage of Proposition 13 put a lid on the amount of revenues that non-enterprise districts could raise to finance needed services. Proposition 13 limited property taxes to one (1) percent of the assessed value. This one (1) percent is allocated to the county, cities, special districts, and school districts based on the districts share of revenue it received just prior to the adoption of

Proposition 13. This change removed the discretionary authority of special districts to raise tax rates to generate additional revenues for both on-going and new programs to increase service levels, or for that matter to keep up with inflation.

## District Summary Profile

Agency: Courtland Fire Protection District

Address: 154 Magnolia Ave  
PO Box 163  
Courtland, CA 95615

Facility Locations: Station 91 - 154 Magnolia Ave, Courtland  
Station 92 - 1125 Hood Franklin Road, Hood

Website: [www.courtlandfire.com](http://www.courtlandfire.com)

Telephone: (916) 775-1210

Administrator Name: Chief David Welch

Name of Contact: David Welch

Contacts email address: [chiefdave9101@live.com](mailto:chiefdave9101@live.com)

Services Provided: Fire Suppression and emergency medical response

Number of Employees: 24 Volunteers

Agency Size: 33 Square Miles

Agency Population: Estimated at 2500 Residents

# Introduction

## **Background Info**

The Courtland Fire Protection District was founded in 1941 to provide fire protection to the town of Courtland and the surrounding community. It eventually took over emergency medical services in the district as well. After merging with the Hood Fire Department, its territory expanded north to protect the community of Hood and its surrounding farmland.

## **Setting**

The Courtland Fire Protection District is located on the western edge of Sacramento County, situated along and around the Sacramento River as well as the northern third of Grand Island and the entirety of Sutter Island and Randall Island. It consists almost entirely of rural farmland, as well as the unincorporated communities of Courtland and Hood.

The Courtland Fire Protection District covers territory bounded to the west by Yolo County and the Clarksburg Fire Department. Our northern border ends just south of the Freeport Bridge and the Sacramento City Fire Department service area southerly boundary. (Note: The Town of Freeport receives fire service primarily from the City of Sacramento, however, it does not lie within either a city or fire protection district boundary.) The Walnut Grove Fire Department marks our southern border, and the Cosumnes CSD Fire Department marks our eastern border just west of Interstate 5.

## **Management and Staffing Structure**

The District employs 24 Volunteer Firefighters and a single Volunteer Chief. The District pays its employees on a per call basis and has no salaried positions. Our organizational structure consists of a 3 member Board of Directors who appoints a Chief, who is entrusted with the appointment of Officers and employing of Firefighters. This structure and pay system is similar to the surrounding rural Fire Departments.

## **LAFCo DETERMINATION**

The Courtland Fire Protection District is an effective fire district as it relates to emergency responses related to fire, medical aid and other critical services. The Courtland Fire Protection District serves a rural population effectively and efficiently.

## **Growth and Population Projections**

The level of demand on the District for services is acceptable with current equipment and manpower. Our last financial year saw a call volume of 158 calls, or less than one call for every two days. Our District has previously been able to successfully manage multiple incidents in a single day, as well as up to two incidents at a time. Our projected demand for services anticipates minimal increases, due to stagnant population growth, but our capability could handle a 100% increase to up to 1 call a day. There have been occasions with multiple calls at each end of district with no issues on responding and taking care of the emergencies that have arisen. The CFPD has also responded on many occasions to mutual aid requests from other districts with more than adequate manpower and equipment and while maintaining an adequate resource reserve to cover the district.

The District population is expected to remain statistically stable for the foreseeable future. The only future growth we anticipate is based in industry, through the possible implementation of the BDCP Water Conveyance.

As currently proposed, the BGCP would bring construction to the district 24 hours a day with traffic quadrupling the amount of trucks and service vehicles. We have a plan with the finance director of this project to include financing our district to allow for a full/part time department in the event of project approval. Then the state would be allocating funding for payroll and equipment needed for the project. More immediate is the construction of a wine tasting venue and several breweries that could bring in tourism, but few permanent residents. At times our residential population grows with the seasonal farm jobs increasing the number from around 2500 to around 4000.

### **LAFCo DETERMINATION**

Regarding growth and population projections for the affected area, the Commission determines that the Courtland Fire Protection District is capable of providing service that includes the growth and population projections for the affected territory for the next five years.

### **Facilities and Programs**

#### **Facilities**

Station 91 - 154 Magnolia Ave, Courtland  
2 Type II Engines  
1 Patrol /Grass Engine  
Diesel and Gasoline Fuel Pumps

Station 92 - 1125 Hood Franklin Road, Hood  
1 Type II Engine  
1 Water Tender  
1 Squad Truck

#### **Capacity of Present and Planned Public Facilities**

The District's present service capacity is adequate for the region it covers, as response times fit within National Fire Protection Association (NFPA) 1720 compliance. This widely recognized industry standard specifies requirements for effective and efficient organization and deployment of fire suppression operations, emergency medical operations and special operations to the public by both volunteer and combination fire departments to protect citizens, property and the occupational safety and health of the fire service personnel. Provisions cover functions and objectives of fire department emergency service delivery, response capabilities and resources, including staffing levels, response times, and levels of service. General criteria for managing resources and systems, such as health and safety, incident management, training, communications and pre-incident planning are also included.]

The District is capable of responding to up one to two calls a day without any difficulty. The majority of the District is rural farmland and is expected to remain so in the foreseeable future. Minor commercial growth is expected within the next five years which should not stress the District's current capabilities.

Based on the projected population growth in the District, our facilities and services should remain adequate for the future.

#### **Infrastructure Needs or Deficiencies**

The District conducts weekly inspections of all equipment and facilities in its jurisdiction to maintain quality and identify equipment in need of replacement or repair. The District currently has no areas of deferred maintenance as equipment is either repaired immediately or as soon as necessary parts are available. Most of these repairs are handled in house or are donated by local mechanics.

Infrastructure and equipment is maintained to extend useful service-life for as long as possible. Any replacement equipment or infrastructure is financed through Grant funding or donations, supplemented by District tax revenue only when necessary.

Currently there are no deficiencies that have resulted in any violations. One engine is partially open cab, and can therefore not field a full complement of firefighters and will need to be replaced. However, these seats are not used for safety reasons. Similarly, one of our stations requires new bathrooms to become ADA compliant, the labor of which will be handled in house.

### **Programs**

Fire Safety programs are carried out at the local elementary school at the beginning of every school year aimed at teaching children about fire safety. The District also takes part in an activity day at the school to enforce fire safety and to talk about the fire service. These two programs cover the entire school, up to several hundred kids.

### **LAFCo DETERMINATION**

Regarding infrastructure needs or deficiencies, the Commission determines that the Courtland Fire Protection District currently has no immediate unmet infrastructure needs or existing deficiencies at the current levels of coverage and service response.

### **Financial Information**

#### **Revenue**

The vast majority of our revenue comes from property taxes. Donations are occasionally garnered from the population. We average between \$100,000 and \$120,000 in yearly income, and the property tax rate is on average 8.16%. We do not charge associated fees for our services or inspections, so our budget relies heavily on property taxes. State Proposition 13 severely impacts our main source of income in that it limits property taxes on our main tax base; family farms that have remained with the same families for generations. As such, we rely heavily on grants for major purchases. Another option at our disposal is a Special Assessment, which should add several tens of thousands of dollars to our budgets every year.

#### **Expenditures**

Our service levels compared to other local fire departments are similar relative to our call volumes. Our assets and equipment consist of 3 type II Fire Engines, a Water Tender, a Rescue Squad and a Patrol/Grass Engine. Each truck has the required amount of hose and firefighting equipment, as well as two sets of extrication gear, two ditch pumps, and two exhaust fans; one set per each main truck at each station. The District also maintains two river pumps as well as a fuel pump and tank at Station 91 for the trucks. We have a 1988 FMC Engine type II needing replacement now, 2004 Freightliner type 111 expected life 15 yrs, 2008 Freightliner type 111 expected life 15 yrs, 2006 Freightliner Water Tender expected life 15 yrs, 1991 International Grass Rig needs replacement soon, the 2006 F450 Rescue Squad has a 15 year life expectancy.

The District has neither proposed nor incurs standing debt, as well as no existing liabilities. All previous debt has been paid and all future expenditures are within budget or are through grants. Our budget is planned to spend the entirety of our earnings, so we leave little as a contingency or in emergency reserves. The CFPD last conducted an audit in 2012.

## **LAFCo DETERMINATION**

Regarding financing constraints and opportunities, the Commission determines that the Courtland Fire Protection District has no serious financing constraints at this time. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to take advantage of all reasonable cost avoidance and grant funding opportunities.

## **Status and Opportunities for Innovation and Shared Facilities**

The District is currently has Mutual Aid agreements with all of our surroundings departments and districts, specifically with Walnut Grove Fire, Clarksburg Fire in Yolo County, Consumes Fire Department and Sacramento City Fire. The District also has an agreement with Consumes CSD Fire for the use of their Ambulance units in medical situations. Through these agreements, we also are able to provide the use of our Water Tender and engines should they be needed in the surrounding districts. The District is not aware of any overlapping territory on our borders, though the town of Freeport and parts of Interstate 5 have been variously claimed by different departments to both belong and not belong to the District.

The District also does not feel any of its territory can be better administered by another. Of the only two areas of note, Sutter Island is only accessible from one road within the district and is therefore impractical for another to handle. The extreme northern end of the district, meanwhile, can take some time to reach but still falls within NFPA 1720 guidelines, and can often be reached before units from Sacramento City Fire. The District does feel that it might be beneficial if coverage from Station 92 be extended along Hood Franklin Road, as vehicle accidents on the road and grass fires in the neighboring fields can often receive a response from that station faster than it can from its current CCSD coverage in Elk Grove.

Current cost avoidance practices within the District consist mostly of in house repairs and maintenance, handled either by firefighters or donated by mechanics. We also take part in regional grants for increased purchasing power, gaining needed supplies such as modern radios to fall into line with neighboring departments. The District also takes part in shared training opportunities with neighboring districts as available.

## **LAFCo DETERMINATION**

Regarding opportunities for shared facilities, the Commission determines that the District shares facilities with other agencies and continually reviews new opportunities to do so. The District participates with the Sacramento Fire/ EMS Communication Center.

## **Accountability for Community Service Needs**

The District is governed by a three member Board of Directors, elected to office for four year terms, by Registered Voters living in district. The Board meets publically at Station 91 during the second Wednesday of every month at 6:30 PM unless otherwise posted. The meeting times are posted at the Post Offices within the District and at the stations, and are open to the public. The Agenda is posted in advance on the website and Facebook page. The Board members are not compensated for their services.

Public participation is welcomed at the meetings but few members of the public attend. The meeting place is accessible to the public as it is in the middle of the main town of the District and is in the evening after people can get home from work. Currently the District has a public website where they can contact the Chief for assistance or information about the District or the Board meetings, and can request any public information about the Board of the District. The District also holds public education events at the local elementary school.

## **LAFCo DETERMINATION**

Regarding evaluation of management efficiencies, the Commission determines the District operates with a high degree of efficiency and professional cooperation with the community and other private/ public agencies. This cooperation is exemplified by the active participation in the quarterly South County Chiefs meetings.

## **Issues, Concerns, and Opportunities**

The district is a non-discriminatory entity and does not discriminate in its hiring processes based on race, age, or sex.

We follow State and Federal Employment Laws. We are a part of the Northern California Special District Insurance Authority (NCS DIA) which covers all Equipment, Land, Buildings and Workers Compensation.

### **Additional**

The Town of Freeport receives fire service primarily from the City of Sacramento, however, it does not lie within either a city or fire protection district boundary. The service responsibility for the unincorporated Town of Freeport should be clarified. The Courtland FPD is capable of providing service. However, to do so without adequate compensation may present a fiscal burden.

### **Other Funding**

We have to rely on Grants as they become available to assist in purchasing equipment and safety gear. With our minimal budget that relies totally on property tax we are not able to purchase say New Engines, and other vital Equipment.

Cal-Fire Grants have been very helpful with the purchase of Structure Gear, Wildland Gear, and compatible Paging Equipment. This Grant is a 50/50 match so we do have to spend from our reserve account each year.

### **Office of Traffic Safety (OTS) Grant**

CFPD was able to purchase new Hurst Extrication Equipment with this Grant. The Chief was the Lead on this Regional Grant that included 5 Districts.

### **Federal Assistance to Firefighters Grants Program (AFG)**

The CFPD applies annually, and has not yet been successful. This would be for new Engines that need to be updated and also SCBA equipment.

## **LAFCo DETERMINATION**

Regarding government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines that the District currently provides services primarily to a clearly defined geographic area which is primarily rural and agricultural in nature.



**Project Name:** MSR/SOI for

**LAFCo Project No.** S-

**Conducted By:** Yolo Local Agency Formation Commission  
625 Court Street, Suite 203  
Woodland, CA 95695

**Date:**

**Subject Agency:**

**Agency Address:**

**Agency Contact Person:**

**Phone Number:**

**Date of Last MSR/SOI Adopted  
by LAFCo**

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## MSR/SOI BACKGROUND

### **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, efficiently providing 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 "one 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."

Based on that legislative charge, LAFCo serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses. While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the "probable physical boundaries and service area of a local agency" (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCo's SOI determinations.

### **PURPOSE OF A MUNICIPAL SERVICE REVIEW**

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update. 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; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

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**

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.

The role of SOIs in guiding the State's growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill ("AB") 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21<sup>st</sup> Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCOs to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California's residents, businesses, landowners, and visitors. The requirement for LAFCOs to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§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 20 years. A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. In Yolo County, a SOI generally has two planning lines. One is the 10-year boundary which includes the area that may likely be annexed within 10 years, while the 20-year boundary is anticipated to accommodate boundary expansions over a 20-year horizon.

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.

### **DISADVANTAGED UNINCORPORATED COMMUNITIES**

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to "disadvantaged unincorporated communities," including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or "DUCs," are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

On March 26, 2012, LAFCo adopted a "Policy for the Definition of 'Inhabited Territory' for the Implementation of SB 244 Regarding Disadvantaged Unincorporated Communities", which identified 21 inhabited unincorporated communities for purposes of implementing SB 244.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit "cherry picking" by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

### **ORGANIZATION OF 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. 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 adopted Yolo LAFCo local policies and procedures. This report provides the following:

- Provides a description of the subject agency;
- Provides any new information since the last MSR and a determination regarding the need to update the SOI;

- Provides MSR and SOI draft determinations for public and Commission review; and
- Identifies any other issues that the Commission should consider in the MSR/SOI.

**AGENCY PROFILE**

Describe the agency, its location, history, number of employees, structure, services it provides, etc.. Use points and reference roads, (for example ... north of the City of Davis between CR 27 and CR 31....). Include a map of the existing agency boundary (including SOI boundary)

[Insert Figure 1 – Location Map]

**AFFECTED AGENCIES**

Per Government Code Section 56427, a public hearing is required to adopt, amend, or revise a sphere of influence. Notice shall be provided at least 21 days in advance and mailed notice shall be provided to each affected local agency or affected County, and to any interested party who has filed a written request for notice with the executive officer. Per Government Code Section 56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (included proposed changes to the SOI).

The affected local agencies for this MSR/SOI are:

**County/Cities:**

- City of Davis
- City of West Sacramento
- City of Winters
- City of Woodland
- County of Yolo

**County Service Areas (CSAs)**

- Dunnigan, El Macero, Garcia Bend, Madison-Esparto Regional CSA (MERCESA), North Davis Meadows, Snowball, Wild Wings, and Willowbank

**School Districts:**

- Davis Joint Unified.
- Esparto Unified
- River Delta Unified
- Washington Unified
- Winters Joint Unified
- Woodland Joint Unified

**Special Districts:**

- Cemetery District – Capay, Cottonwood, Davis, Knight's Landing, Mary's, Winters
- Community Service District – Cacheville, Esparto, Knight's Landing, Madison
- Fire Protection District – Capay, Clarksburg, Dunnigan, East Davis, Elkhorn, Esparto, Knights Landing, Madison, No Man's Land, Springlake, West Plainfield, Willow Oak, Winters, Yolo, Zamora
- Sacramento-Yolo Port District
- Reclamation District – 150, 307, 537, 730, 765, 785, 787, 827, 900, 999, 1600, 2035, 2076, 2120
- Yolo County Resource Conservation District
- Water District – Dunnigan, Knight's Landing Ridge Drainage, YCFWCWD, Yolo-Zamora

**Multi-County Districts:**

- Reclamation District – 108 (Colusa), 2068 (Solano), 2093 (Solano)
- Water District – Colusa Basin Drainage
- Sacramento-Yolo Mosquito Vector Control District

**MUNICIPAL SERVICE REVIEW**

**POTENTIALLY SIGNIFICANT MSR DETERMINATIONS**

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

- |  |  |
|--|--|
| <input type="checkbox"/> Growth and Population                                   | <input type="checkbox"/> Shared Services |
| <input type="checkbox"/> Disadvantaged Unincorporated Communities                | <input type="checkbox"/> Accountability  |
| <input type="checkbox"/> Capacity, Adequacy & Infrastructure to Provide Services | <input type="checkbox"/> Other           |
| <input type="checkbox"/> Financial Ability                                       |  |

**1. GROWTH AND POPULATION**

Growth and population projections for the affected area.	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
--	------------	--------------	-----------

	YES	MAYBE	NO
a) Is the agency's territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Will population changes have an impact on the subject agency's service needs and demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Will projected growth require a change in the agency's service boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

a) Describe the current and projected population.

Describe any reasonably foreseeable development projects in the territory or surrounding area over the next 5-10 years.

b)

c)

**Growth and Population MSR Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**SUGGESTED REFERENCES:**

- U.S. Census Bureau- Current Population  
<http://quickfacts.census.gov/qfd/states/06000.html>
- U.S Department of Finance- Population Projections  
<http://www.dof.ca.gov/research/demographic/reports/view.php#objCollapsiblePanelProjectionsAnchor>
- SACOG Projections
- City and/or County General Plans
- City and/or County planning departments

**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) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) 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)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

- a) Please see agency profile. A "yes" response indicates that the agency provides a service that may trigger the provisions of SB 244 and a LAFCo determination regarding any disadvantaged unincorporated communities within or adjacent to the agency's sphere of influence is required. A "no" response indicates that the provisions of SB 244 would not apply to a SOI update, if applicable.
- b) The term "Inhabited Unincorporated Communities" is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential

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by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

Binning Farms	Guinda	Rumsey
Capay	Knights Landing	West Kentucky
Clarksburg	Madison	West Plainfield
Dunnigan	Monument Hills	Willow Oak
El Macero	North Davis Meadows	Willowbank
El Rio Villa	Patwin Road	Yolo
Esparto	Royal Oak	Zamora

If any of the above listed communities are located within the agency's territory or surrounding area:

- Describe the current statewide median household income. Define what 80% of that would be, in order to determine the median household income threshold for being defined as a disadvantaged unincorporated community.
- Provide median household income data on the inhabited unincorporated community, if applicable, and determine if they are considered "disadvantaged unincorporated communities" according to SB 244.
- Describe the location and characteristics of the DUC.

If none of these communities are located within or surrounding the agency's territory, just say so and income information is not needed.

c) Is there any way to extend services to the DUC? Is it feasible?

**Disadvantaged Unincorporated Communities MSR Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**SUGGESTED REFERENCES:**

- U.S. Census Bureau- Median Household Incomes  
<http://quickfacts.census.gov/qfd/states/06000.html>  
<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

### 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) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:** (responses can be combined if appropriate)

- a)
- b)
- c)
- d)
- e)
- f)

#### Capacity and Adequacy of Public Facilities and Services MSR Determination

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Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**For “NO” responses:** Be brief but clearly demonstrate why the answer is no.

**For “YES” or “MAYBE” responses:** Discuss the reasoning for your response in detail.

Responses may require discussion of the following issues:

- Describe the organization's service delivery system, including any infrastructure or facilities.
- Discuss any complaints filed by community members or neighboring organizations.
- Discuss any compliance issues with State regulations.
- Describe the potential for future population growth or development, and discuss the organization's ability to meet the expanding service delivery demands that will accompany that growth. In particular, consider infrastructure or staffing expansions that will be required to meet the additional demand for services.
- Describe both near-term and long-term infrastructure needs and deficiencies.
- Discuss the organization's plan for dealing with upcoming infrastructure needs and deficiencies.
- If the agency provides sewer, municipal and industrial water, or structural fire protection services, describe any disadvantaged unincorporated communities within or contiguous to the organization's sphere of influence. Describe the level and adequacy of services that these communities are receiving and identify any service deficiencies that should be addressed.

**SUGGESTED REFERENCES:**

- Yolo County General Plan  
<http://www.yolocounty.org/Index.aspx?page=1514>
- Agency General Plan, Facility Master Plan or Capital Improvement Plan

**4. FINANCIAL ABILITY**

Financial ability of agencies to provide services.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

a) **Budget:**

Describe the organization's budget cycle, who is responsible for approving the organization's budget, and whether budgets are passed regularly and on-time.

Discuss whether the organization has regular independent audits.

Describe the organization's major expenditure categories (Include a 5-year trend chart).

Discuss how the expenditures have changes since the previous MSR/SOI.

Discuss any opportunities to reduce expenditures.

Describe the organization's major revenue sources (Include a 5-year trend chart).

Describe any grants or donations the organization has received since the previous MSR/SOI.

Discuss how revenues have changed since the previous MSR/SOI.

Discuss the stability of the revenue sources.

Discuss any opportunities to increase revenues.

Describe the organization's "revenues less expenditures" and end of year fund balances (Include a 5-year trend chart).

b) **Reserves:**

Describe the organization's reserve and contingency fund balances (Include a 5-year trend chart).

Describe the organization's reserve and/or contingency fund policies.

Discuss whether the organization regularly contributes to the reserve, and if so, how much.

Discuss whether the organization has used its reserve or contingency fund recently.

Discuss whether the organization's level of reserve is adequate to protect against unexpected events or upcoming significant costs.

c) **Rate/Fee Schedule:**

Describe the organization's rate/fee schedule.

Discuss when the rate/fee schedule was adopted, and describe any recent efforts to alter the rate/fees schedule.

Compare the organization's rate/fee schedule to other organization's providing similar services in the region.

Describe the relationship between the rate/fee structure and level of service.

d) **Infrastructure Maintenance and Replacement:**

Describe the organization's capital improvement plan and/or infrastructure maintenance and replacement schedule.

Discuss whether the organization is on track with the timeline outlined in its infrastructure plan.

Discuss the organization's plans for funding upcoming maintenance and replacements.

e) **Financial Policies:**

Describe the organization's financial policies.

Discuss whether the policies are in keeping with best practices.

Discuss when the policies were adopted, and if they are appropriately updated.

f) **Debt:**

Describe any debt that the organization is currently repaying, including the total original amount and remaining balance, type of debt, interest rate, use of debt, and payment schedule.

Describe any debt that has been paid off by the organization since the most recent MSR/SOI.

Discuss any debt the organization expects to incur in the near future.

Describe the organization's debt management policy.

**Financial Ability MSR Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**For "NO" responses:** Be brief but clearly demonstrate why the answer is no, cite sources, etc.

**For "YES" or "MAYBE" responses:** Discuss the reasoning for your response in detail.

**SUGGESTED RESOURCES:**

- Budget Reports/Financial Statements
- Independent Audits/ Comprehensive Annual Financial Report (CAFR)
- Grant Donation History
- Rate/Fee Schedule
- California State Controller's Office- Special District Annual Financial Reports
  - Reports include revenues, expenditures, and long-term debt information for every California special district  
[http://www.sco.ca.gov/ard\\_locarep\\_districts.html](http://www.sco.ca.gov/ard_locarep_districts.html)
- Government Finance Officers Association- Best Practices  
[http://www.gfoa.org/index.php?option=com\\_content&task=view&id=118&Itemid=130](http://www.gfoa.org/index.php?option=com_content&task=view&id=118&Itemid=130)

**5. SHARED SERVICES AND FACILITIES**

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:** (responses can be combined if appropriate)

- a)
- b)
- c)
- d)

**Shared Services MSR Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**For "NO" responses:** Be brief but clearly demonstrate why the answer is no.

**For "YES" or "MAYBE" responses:** Discuss the reasoning for your response in detail.

Responses may require discussion of the following issues:

- Describe organizations within proximity to the organization that offer similar services.
- Discuss shared services or use of facilities that are currently being implemented.
- Discuss opportunities for shared services or facilities that are not currently being utilized.
- Discuss what actions would be required to implement those opportunities and the potential benefit of such efficiencies.

**SUGGESTED RESOURCES:**

- Agency interviews
- Review of any service agreements, i.e. MOUs or JPAs...

**6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES**

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?

---

**Discussion:** (responses can be combined if appropriate)

- a)
- b)
- c)
- d)
- e)
- f)
- g)

**Accountability, Structure and Efficiencies MSR Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**For "NO" responses:** Be brief but clearly demonstrate why the answer is no.

**For "YES" or "MAYBE" responses:** Discuss the reasoning for your response in detail.

Responses may require discussion of the following issues:

- Describe the organizations governance structure and meeting schedule.
- Describe efforts the organization has made to ensure accountability including, regularity of governance meetings, compliance with the Brown Act, and public outreach efforts.
- Describe the organizations staffing level and service delivery system.
- Describe how the organization processes complaints or service delivery issues.
- Describe any potential opportunities for consolidation with neighboring organizations that might increase accountability or efficiency.

**SUGGESTED RESOURCES:**

- Organization's website
- Agency Interviews
- Customer feedback

**7. OTHER ISSUES**

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

	YES	MAYBE	NO
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

- a) Describe the additional issue.  
Discuss opportunities for resolution

**Other Issues MSR Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**SUGGESTED RESOURCES:**

- Organization's website
- Agency interviews or discussion with Supervisorial District staff.

**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.

***SPHERE OF INFLUENCE MAP(S)***

Insert Figure(s) of existing SOI (and proposed SOI if applicable)

***POTENTIALLY SIGNIFICANT SOI DETERMINATIONS***

If no SOI is recommended, the following determinations sections should be deleted from the study.

The SOI determinations 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.

- 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.

	YES	MAYBE	NO
a) Are there any present or planned land uses in the area that would create the need for an expanded service area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Would the SOI conflict with planned, orderly and efficient patterns of urban development?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Is there a conflict with the adopted SACOG Metropolitan Transportation Plan/Sustainable Communities Strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Would the SOI result in the loss of prime agricultural land or open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Would the SOI impact the identity of any existing communities; e.g. would it conflict with existing postal zones, school, library, sewer, water census, fire, parks and recreation boundaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Are there any natural or made-made obstructions that would impact where services can reasonably be extended or should otherwise be used as a logical SOI boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Would the proposed SOI conflict with a Census boundary, such that it would compromise the ability to obtain discrete data?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:** (responses can be combined if appropriate)

- a)
- b)
- c)
- d)
- e)
- f)
- g)

**Present and Planned Land Uses SOI Determination**

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MSR/SOI for xxxxxxxx  
Date

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**2. NEED FOR PUBLIC FACILITIES AND SERVICES**

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

	YES	MAYBE	NO
a) 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Would the SOI expand services that could be better provided by a city or another agency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Does the SOI represent premature inducement of growth or facilitate conversion of agriculture or open space lands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Does the SOI conflict with the Regional Housing Needs Analysis (RHNA) or other SACOG growth projections?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) 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 or important open space/prime agricultural land should be removed from urbanization?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:** (responses can be combined if appropriate)

- a)
- b)
- c)
- d)
- e)
- f)

**Need for Public Facilities and Services SOI Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**SUGGESTED RESOURCES:**

- SAGOC SCS land use map
- County General Plan
- Agency Capital Improvement Plans

**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.

	YES	MAYBE	NO
a) Are there any issues regarding water availability and sewer capacity for the proposed SOI territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's willingness and ability to extend services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are there any issues with the agency's ability to maintain an adequate level of service currently and/or with future extension of services per the proposed SOI?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:** (responses can be combined if appropriate)

- a)
- b)
- c)

**Capacity and Adequacy of Provided Services SOI Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**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.

	YES	MAYBE	NO
a) 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" (same as MSR checklist question 2b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

a) Please see response to MSR checklist question 2b.

**Social or Economic Communities of Interest SOI Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

**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.

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

**Discussion:**

a) Please see response to MSR checklist question 2a.

b)

**Disadvantaged Unincorporated Communities SOI Determination**

Summary/concluding statement regarding the determination as a whole for use in staff reports, resolutions, findings, etc.

REFERENCES

ATTACHMENTS

**LOCAL AGENCY FORMATION COMMISSION OF YOLO COUNTY**

**Resolution № 2015-01**

**A Resolution Approving the Municipal Service Review for  
Yolo County Resource Conservation District and  
Finding that No Sphere of Influence Update is Necessary  
LAFCo Proceeding S-043**

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("Cortese-Knox-Hertzberg"), set forth in Government Code Sections 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Cortese-Knox-Hertzberg; and,

**WHEREAS**, Government Code Section 56425 provides that the local agency formation commission in each county shall develop and determine the sphere of influence of each local governmental agency within the county, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence, as more fully specified in Sections 56425 et seq.; and,

**WHEREAS**, Government Code Section 56430 requires that local agency formation commissions conduct a municipal service review (MSR) prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence (SOI) in accordance with Sections 56076 and 56425; and,

**WHEREAS**, in Fiscal Year 2014/15, the Yolo County Local Agency Formation Commission (LAFCo) conducted a review of the municipal services and SOI of the Yolo County Resource Conservation District; and,

**WHEREAS**, based on the results of the MSR, staff has determined that an SOI update for the Yolo County Resource Conservation District is not necessary in this review, as the District's SOI already covers all of Yolo County, with the exception of the small territory that is served by the Dixon Resource Conservation District.

**WHEREAS**, staff has reviewed the MSR pursuant to the California Environmental Quality Act (CEQA) and determined that the MSR is exempt from environmental review per CEQA Guidelines Section 15262, which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA; and, based thereon, the Executive Officer prepared a Notice of Exemption; and,

**WHEREAS**, the Executive Officer set a public hearing for February 26, 2015 for consideration of the environmental review and the draft MSR and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and,

**WHEREAS**, on February 26, 2015, the draft MSR came on regularly for hearing before LAFCo, at the time and place specified in the Notice of Public Hearing; and,

**WHEREAS**, at said hearing, LAFCo reviewed and considered the CEQA exemption, the draft Municipal Service Review, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Sections 56430 et seq.; LAFCo's Guidelines and Methodology for the Preparation and Determination of Municipal Service Reviews and Spheres of Influence; and all other matters presented as prescribed by law; and,

**WHEREAS**, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and,

**WHEREAS**, LAFCo received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendations, the environmental determinations and the service review.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** that the Yolo County Local Agency Formation Commission hereby:

1. Determines that the project is exempt from CEQA pursuant to CEQA Regulations Section 15262 which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA; finds that this resolution will have no environmental impacts; and directs the Executive Officer to file a Notice of Exemption with the County Recorder.
2. Adopts Resolution 2015-01 approving the MSR for the Yolo County Resource Conservation District (Exhibit A), and finds that no SOI Update is necessary, subject to the following findings and recommendations:

#### **FINDINGS**

1. Finding: The Resolution is exempt from CEQA in accordance with CEQA Guidelines Section 15262, which indicates that adopting planning studies that do not commit the agency to future actions are exempt from CEQA. Passage of the Resolution will have no environmental impacts. A Notice of Exemption will be filed with the County Recorder.

Evidence: The project includes adoption of a MSR, but finds that no SOI Update is necessary at this time. This study is simply a review of municipal services, the adoption of which will not commit the District, County, or LAFCo to changes in land use, construction, or other improvements.

2. **Finding:** Approval of the Municipal Service Review and finding that no Sphere of Influence Update is necessary is consistent with all applicable state laws and local LAFCo policies.

**Evidence:** The project was prepared consistent with the requirements in Cortese-Knox-Hertzberg for a MSR/SOI and all applicable Yolo LAFCo policies and adopted Standards for Evaluation. The MSR includes written determinations as required by Section 56430 of Cortese-Knox-Hertzberg.

## **RECOMMENDATIONS**

1. The District should consider developing a vehicle replacement plan to ensure that adequate funding is available to replace its vehicles in a timely manner.
2. The District does not currently have a reserve policy, and may wish to adopt a formal reserve policy that consider the various scenarios in which it may need to rely on a reserve.
3. The District should consider expanding its financial polices to cover additional topics, such as budget preparation process, reserve and contingency funds, and debt management practices.
4. The District might benefit from sharing staff positions with partner agencies when appropriate. The District currently maintains several part-time positions, but it is often difficult to recruit and maintain employees in part-time positions. In circumstance where additional staff capacity is necessary but the District cannot afford a full-time position, the District may wish to explore opportunities to share a position with another local agency or district.
5. The District may wish to explore the possibility of using the County's pooled purchasing services for future vehicle purchases, if it proves to be more cost effective than purchasing separately.
6. The District should consider building a reserve specifically to help the organization maintain staff during periods of funding fluctuation, in order to increase staffing stability.
7. The District should consider expanding the content on its website to include adopted budgets and third party financial audits, to increase the district's financial transparency.
8. LAFCo encourages the District to continue discussions with the Dixon RCD regarding the possibility of transferring resource conservation work in the Yolo Bypass Wildlife Area from Dixon to Yolo, and to approach LAFCo if it would like to annex the territory at some point in the future.

**PASSED AND ADOPTED** by the Local Agency Formation Commission, County of Yolo, State of California, this 26<sup>th</sup> day of February, 2015, by the following vote:

Ayes: *Aguilar-Curry, Kristoff, Rexroad, Saylor, Woods*

Noes: *0*

Abstentions: *0*

Absent: *0*



A handwritten signature in black ink, appearing to read "Olin Woods", is written above a horizontal line.

Olin Woods, Chair  
Yolo County Local Agency Formation Commission

Attest:

A handwritten signature in black ink, appearing to read "Christine Crawford", is written above a horizontal line.

Christine Crawford, Executive Officer  
Yolo County Local Agency Formation Commission

Approved as to form:

By: A handwritten signature in black ink, appearing to read "Eric May", is written above a horizontal line.  
Eric May, Commission Counsel



**Project Name:** MSR/SOI for the Yolo County Resource Conservation District

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**LAFCo Project No.** S-043

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**Conducted By:** Yolo Local Agency Formation Commission  
625 Court Street, Suite 203  
Woodland, CA 95695

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**Date Adopted:** February 26, 2015

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**Subject Agency:** Yolo County Resource Conservation District (RCD)

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**Agency Address:** 221 W. Court Street, #1  
Woodland, CA 95695

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**Agency Contact Person:** Heather Nichols (*Executive Director*)

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**Phone Number:** (530) 662-2037

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**Date of Last MSR/SOI  
Adopted by LAFCo** 5/12/2008

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## MSR/SOI BACKGROUND

### **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, efficiently providing 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 “one 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.”

Based on that legislative charge, LAFCo serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses. While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCo’s SOI determinations.

### **PURPOSE OF A MUNICIPAL SERVICE REVIEW**

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update. 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; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

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**

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.

The role of SOIs in guiding the State's growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill ("AB") 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21<sup>st</sup> Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCOs to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California's residents, businesses, landowners, and visitors. The requirement for LAFCOs to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§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 20 years. A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. In Yolo County, a SOI generally has two planning lines. One is the 10-year boundary which includes the area that may likely be annexed within 10 years, while the 20-year boundary is anticipated to accommodate boundary expansions over a 20-year horizon.

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.

### ***DISADVANTAGED UNINCORPORATED COMMUNITIES***

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to "disadvantaged unincorporated communities," including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or "DUCs," are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

On March 26, 2012, LAFCo adopted a "Policy for the Definition of 'Inhabited Territory' for the Implementation of SB 244 Regarding Disadvantaged Unincorporated Communities", which identified 21 inhabited unincorporated communities for purposes of implementing SB 244.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit "cherry picking" by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

### ***ORGANIZATION OF 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. 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 adopted Yolo LAFCo local policies and procedures. This report provides the following:

- Provides a description of the subject agency;
- Provides any new information since the last MSR and a determination regarding the need to update the SOI;

- Provides MSR and SOI draft determinations for public and Commission review; and
- Identifies any other issues that the Commission should consider in the MSR/SOI.

## AGENCY PROFILE

The Yolo County Resource Conservation District (RCD) was formed in 1977 through the consolidation of the existing Soil Conservation Districts (SCD) in Yolo County, including the Capay Valley, Western Yolo, and Northern Yolo SCDs. The RCD is empowered by California Public Resources Code (Division 9, Chapter 3) to provide for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and the improvement of land capabilities, including:

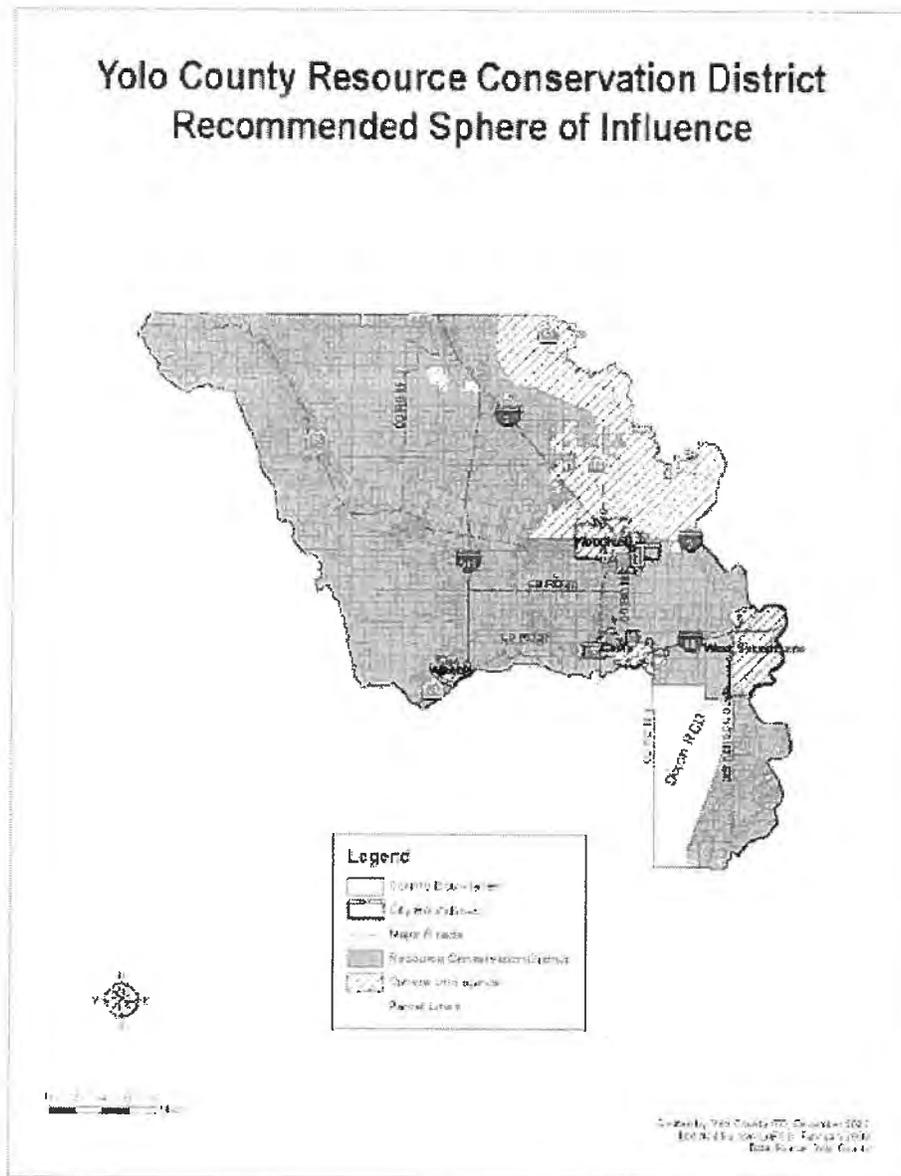
- Conducting surveys, investigations, and research
- Disseminating information relating to soil and water conservation and erosion stabilization
- Conducting demonstrational projects
- Providing technical assistance to private landowners
- Developing a district wide comprehensive annual and long-range work plan
- Managing soil conservation, water conservation, water distribution, flood control, erosion control, erosion prevention, and erosion stabilization projects
- Establishing standards of cropping and tillage operations and range practices
- Engaging in activities designed to promote a knowledge of the principles of resource conservation throughout the district, including educational programs for both children and adults

### Boundaries

Prior to 1977 Yolo County had three soil conservation districts (Capay Valley, Western Yolo, and Northern Yolo), which covered much of unincorporated Yolo County and a portion of Colusa County. The three districts were merged to form the Yolo County RCD in 1977, which covered a total of 530,447 acres. The portion of the District that extended into Colusa County was detached in 1985 through efforts of the Colusa County LAFCo, leaving the Yolo County RCD with approximately 505,000 acres. The RCD covers approximately 77% of the County's total 653,549 acres.

The District's existing boundaries are generally bound by Napa County to the west, Colusa County to the north, and Solano County to the south. The District's eastern side is bound by the Colusa Basin Drain, the City of Woodland, Sacramento County, and the City of West Sacramento.

Generally, the District's boundary covers all territory in Yolo County, with the exception of the incorporated cities, a portion of the Yolo bypass area (which is served by Dixon RCD), and areas currently served by reclamation districts.



Historically, it was LAFCo’s policy to detach land from the RCD automatically upon annexation into one of the four cities. However, in 1995 LAFCo received a petition for an annexation of 425 acres into the City of Davis, and concurrent detachment from the RCD. The RCD contacted LAFCo expressing concern with these automatic detachments, emphasizing that the District provided services to both urban and rural areas. Ultimately, the Commission approved the annexation without detaching the land from the RCD’s boundaries. This effectively set a precedent that lands being annexed into incorporated cities in Yolo County would remain a part of the RCD service area.

The District's SOI was last updated during its most recent MSR/SOI study in 2008. At that time the Commission adopted a SOI for the RCD that covered all Yolo County property outside of the District's boundaries, with the exception of the territory served by the Dixon RCD. See the map for greater detail.

### Structure and Governance

The Yolo County RCD is governed by a five member Board of Directors composed of local growers and landowners. The Board members are appointed to four-year terms by the Yolo County Board of Supervisors. The District is staffed by five employees, including one full-time Executive Director, one full-time Senior Program Manager, one part-time Administrative Assistant, one part-time Financial Manager, and one full-time Project Assistant. The District also works closely with the Natural Resources Conservation Service (NRCS), and draws on the skills and expertise of the NRCS staff as needed.

### Services and Projects

The Resource Conservation District works to protect, improve and sustain the natural resources in Yolo County through collaboration with local partners. The District provides a variety of services related to resource conservation, including planning, management, project implementation, studies, monitoring, outreach and education. The District operates similar to a non-profit organization, in that it is primarily funded through grants and contracts. Many of its services and projects are driven by the availability of funding. Currently, the District has a wide variety of active projects, as listed below:

- **Cottonwood Slough Restoration and Enhancement:** The project is a riparian revegetation project on a partially straightened section of Cottonwood Slough starting approximately 1 mile south of the town of Madison in Western Yolo County.
  - **Funding Source:** US Partners for Fish and Wildlife
  - **Timeline:** Award ends 8/15/2018; Agreement ends 8/15/2024
- **Downtown Davis Parkway Greening:** The RCD is leading the revegetation planning, implementation and maintenance for the Putah Creek Parkway.
  - **Funding Source:** California Department of Urban Greening, Strategic Growth Council, Proposition 84
  - **Partners:** City of Davis, UC Davis Arboretum
  - **Timeline:** 6/1/20016
- **East Regional Detention Pond:** Provides design, planting and maintenance services for the pond, located in the City of Woodland.
  - **Funding Source:** City of Woodland
- **Hedgerow Project:** Provides outreach and education for establishing hedgerows on farms in Sacramento Valley.
  - **Funding Source:** Regents of the University of California
  - **Partners:** UC Davis
  - **Timeline:** 3/31/2016
- **Mitigation Project:** Light and sound mitigation for traffic impacts of the Hotel and Casino Expansion Project. Project is a dense pollinator hedgerow between Hwy 16 and private camp at Capay Organic Farm in Capay Valley.

- **Funding Source:** Yocha Dehe Community Fund
- **Partners:** Center for Land- Based Learning SLEWS Program (Student and Landowner Education and Watershed Stewardship)
- **Timeline:** Completed by 12/31/2015
  
- **North Davis Riparian Greenbelt:** The project is creating approximately 17 acres of publicly accessible riparian habitat in an urban storm water channel, benefiting water quality, agriculture, local residents and wildlife.
  - **Funding Source:** California Department of Urban Greening, Strategic Growth Council, Proposition 84
  - **Partners:** Putah Creek Council
  - **Timeline:** 6/30/2017
  
- **Sagara Project:** Establishment activities for farm-friendly riparian restoration and pollinator hedgerow in Esparto.
  - **Funding Source:** Partners for Fish and Wildlife
  - **Partners:** Audubon California
  - **Timeline:** Ends 10/31/2015
  
- **Springlake Project:** Provides education and outreach funds for public workshops on water conservation for residents of the City of Woodland.
  - **Funding Source:** Mitigation funds paid by the City of Woodland to offset the environmental impacts of the Springlake development.
  - **Timeline:** Ends 1/1/2019
  
- **Storz Pond Project:** Maintenance of 19-acre perennial grassland for urban storm water filtration located east of Highway 113, south of the Springlake Fire Department.
  - **Funding Source:** City of Woodland
  - **Partners:** City of Woodland
  - **Timeline:** Under existing MOU, renews annually on July 1<sup>st</sup>
  
- **Union School Restoration and Enhancement:** Establishment activities for farm-friendly riparian restoration and pollinator hedgerow on County Road 95 between County Roads 29 and 27.
  - **Funding Source:** Partners for Fish and Wildlife
  - **Partners:** Audubon California
  - **Timeline:** Ends 10/31/2015
  
- **Westside Sacramento Integrated Regional Water Management (IRWM) Plan Implementation Assistance:** The RCD assists in administering the Westside IRWM with meeting coordination, data management and outreach services.
  - **Funding Source:** Solano County Water Agency
  - **Partners:** Westside Sacramento IRWM Coordinating Committee
  - **Timeline:** Ends 6/30/2016
  
- **Working Waterways:** The primary goal was to get conservation projects on the ground, specifically riparian restoration plantings; native vegetation of canal banks and uplands; and installation of ponds designed to support Sacramento perch, a native fish previously found throughout the great valley but now relegated to isolated California lakes not previously within its native range. Additionally,

Audubon monitored wildlife use of the project areas- specifically birds; Solano Land Trust led a study on Local Markets for Farm Edge Conservation; and all fo the partners worked closely with the YCFCWCD to assemble a canal vegetation management manual to guide them in converting weedy vegetation into native plants that are compatible with their water delivery and management practices.

- **Funding Source:** California Department of Fish and Game
  - **Partners:** Audubon Landowner Stewardship Program, Solano RCD and Solano Land Trust
  - **Timeline:** Ended 12/31/2014
- **Yolo Creek and Community Partnership:** The project supports habitat restoration projects along Yolo County waterways to benefit wildlife, support agricultural values, and foster community cooperation in the region.
    - **Funding Source:** Yocha Dehe Community Fund
    - **Partners:** Center for Land-Based Learning
    - **Timeline:** Ends 12/31/2015

## ***AFFECTED AGENCIES***

Per Government Code Section 56427, a public hearing is required to adopt, amend, or revise a sphere of influence. Notice shall be provided at least 21 days in advance and mailed notice shall be provided to each affected local agency or affected County, and to any interested party who has filed a written request for notice with the executive officer. Per Government Code Section 56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (included proposed changes to the SOI).

The affected local agencies for this MSR/SOI are:

### **County/Cities:**

- City of Davis
- City of West Sacramento
- City of Winters
- City of Woodland
- County of Yolo

### **County Service Areas (CSAs)**

- Dunnigan, El Macero, Garcia Bend, Madison-Esparto Regional CSA (MERCSA), North Davis Meadows, Snowball, Wild Wings, and Willowbank

### **School Districts:**

- Davis Joint Unified
- Esparto Unified
- Pierce Joint Unified
- River Delta Unified

- Washington Unified
- Winters Joint Unified
- Woodland Joint Unified
- Los Rios Community College District
- Solano Community College District
- Yuba Community College District

**Special Districts:**

- Cemetery Districts – Capay, Cottonwood, Davis, Knight’s Landing, Mary’s, Winters
- Community Service Districts – Cacheville, Esparto, Knight’s Landing, Madison
- Fire Protection Districts – Capay, Clarksburg, Dunnigan, East Davis, Elkhorn, Esparto, Knights Landing, Madison, No Man’s Land, Springlake, West Plainfield, Willow Oak, Winters, Yolo, Zamora
- Sacramento-Yolo Port District
- Reclamation District – 150, 307, 537, 730, 765, 785, 787, 827, 900, 999, 1600, 2035
- Yolo County Resource Conservation District
- Water District – Dunnigan, Knight’s Landing Ridge Drainage, Yolo County Flood Control & Water Conservation

**Multi-County Districts:**

- Reclamation District – 108 (Colusa), 2068 (Solano), 2093 (Solano)
- Water District – Colusa Basin Drainage
- Sacramento-Yolo Mosquito and Vector Control District

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.

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity, Adequacy & Infrastructure to Provide Services
- Financial Ability
- Shared Services
- Accountability
- Other

**1. GROWTH AND POPULATION**

Growth and population projections for the affected area. YES      MAYBE      NO

	YES	MAYBE	NO
a) Is the agency's territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Will population changes have an impact on the subject agency's service needs and demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Will projected growth require a change in the agency's service boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

a-c) According to the U.S. Census Bureau (2010) the projected population in Yolo County for 2013 was 204,593, of which 87.3% (178,578 residents) was projected to live within the County's four incorporated cities. This leaves approximately 26,015 residents living in unincorporated Yolo County. The District's territory is primarily within this unincorporated area.

When the Yolo County 2030 Countywide General Plan was written (in 2009), there existed 7,263 residential units in the unincorporated areas of Yolo County. The General Plan allows for significant growth in the area, permitting development of an additional 14,798 units over a 20 year period.

If/when significant development does occur in the future, the RCD has expressed that this will make their work more critical and challenging, as they conduct work in both rural and urban communities. Particularly, the RCD expects that increased development (especially of agricultural lands) may create more demand from farmers to engage in conservation programs that decrease costs (such as irrigation efficiency measures), increase production (such as pollinator hedgerows), or pay ecosystems services (such as NRCS's Agricultural Conservation Easement Program).

However, staff believes that achieving a significant level of development in the next 5-10 years is unlikely, given that the California Department of Finance (2013) projects a population growth of only 1.04 percent between 2010 and 2015 for unincorporated Yolo, with an additional 1.06 percent between 2015 and 2020. Therefore, staff does not expect that the RCD's territory will experience any significant population change or development over the next 5-10 years that will impact its service needs and demands.

**Growth and Population MSR Determination**

At this time the RCD's territory, which includes most of the unincorporated areas of Yolo County, is not projected to experience any significant development or population growth that might impact the District's ability to deliver resource conservation services. The most likely areas of near-term development in Yolo County will be contained to the incorporated cities, which are not currently within the RCDs boundaries.

**2. DISADVANTAGED UNINCORPORATED COMMUNITIES**

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

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) 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)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

- a) The Yolo County Resource Conservation District provides resource conservation services to the majority of unincorporated Yolo County, as well as a few small urban areas. The District does not provide any other municipal services, and resource conservation is not a service that triggers the provisions of SB 244.
- b) The term "Inhabited Unincorporated Communities" is defined per Commission adopted policy as those areas on the County of Yolo 2030 General Plan Land Use Map (see Figures LU-1B through LU-1H) that contain land use designations that are categorized as Residential by Table LU-6. The communities of Rumsey and West Kentucky are also included in this definition (even though the current land use designations are Agriculture (AG) and Commercial Local (CL) respectively) because their existing uses are residential. These communities are as follows:

Binning Farms	Guinda	Rumsey
Capay	Knights Landing	West Kentucky
Clarksburg	Madison	West Plainfield
Dunnigan	Monument Hills	Willow Oak
El Macero	North Davis Meadows	Willowbank
El Rio Villa	Patwin Road	Yolo
Esparto	Royal Oak	Zamora

The RCD's boundary covers most of unincorporated Yolo County, which means that many of the inhabited unincorporated communities listed above are within its boundaries, and several of them are disadvantaged. However, given that the RCD does not provide water, sewer or structural fire protection services, the provisions of SB 244 do not apply.

**Disadvantaged Unincorporated Communities MSR Determination**

The RCD does not provide water, sewer or structural fire protection services, therefore the provisions of SB 244 do not apply and Disadvantaged Unincorporated Communities are not an issue.

**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.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**YOLO LAFCO MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE STUDY**

c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

- a-b) LAFCo staff is not aware of any issues with the RCD's existing or future capacity to provide services. District staff reports that its current staffing level is adequate to keep up with its current projects, and the District is not experiencing a backlog of projects. The District operates much like a non-profit because it relies heavily on grant funding from local, state and federal agencies. This allows the District to easily adjust its staffing capacity to reflect its current funding level and need.
- c) LAFCo staff is not aware of any adequacy issues with the services provided by the RCD. The RCD does not have any violations or compliance issues with regulatory agencies. Additionally, the majority of the District's services are funded through grants or contracts, which generally include standards of service and reporting requirements. Grantors and contractors would have the option of terminating their relationship with the District if they were unhappy with the services provided.
- d) The District does not maintain any property, machinery or infrastructure, and does not have any needs related to these items. The District does own several vehicles (as listed below), but does not see any near-term need for replacements or upgrades.
  - o Ford F-150, 2001
  - o Ford F-250, 2006
  - o Honda Prius, 2000
  - o Honda #620, 4-trax, 2001
  - o Trailer, 2011
  - o Water tank trailer, 2006
- e) Staff is not aware of any state legislation on the horizon that will impact the District's ability to provide services.
- f) As discussed in the Disadvantaged Unincorporated Communities section (determination # 2), the RCD provides resource conservation services to the majority of unincorporated Yolo County. Many inhabited unincorporated communities lie within the boundaries of the RCD, of which some are disadvantaged. However, the RCD does not provide sewer, water or fire protection services, and is not involved in providing these municipal services for disadvantaged communities.

**Capacity and Adequacy of Public Facilities and Services MSR Determination**

The Resource Conservation District provides natural resource conservation services throughout Yolo County. LAFCo staff has no concerns regarding the District’s capacity to provide services, or the adequacy of its services. Additionally, the District has no near-term infrastructure or equipment needs that may impact its ability to provide services.

**4. FINANCIAL ABILITY**

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Is the organization’s debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

a) The Resource Conservation District routinely adopts and operates an annual budget with a budget cycle of July 1 through June 30. The annual budget is prepared by the Executive Director, and then presented to the Board of Directors for adoption. Mid-year adjustments to the budget or spending in excess of the budgeted amount must be approved by the Board of Directors. The District’s funds are held in the County Treasury.

The District receives annual independent audits, with the most recent audit being completed on October 2, 2014. The audit revealed no instances of non-compliance or material weakness in internal controls.

The table below provides a summary of the District’s budgets from fiscal year (FY) 09/10 to 13/14. The District maintained a positive balance in three of the previous five years. The District did overspend its

revenues in FY 10/11 and 12/13 due to unanticipated payroll and other expenses that were not covered by grant or fee-for-service revenues.

<b>Resource Conservation District Budget Summary</b>					
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>Revenues:</b>					
Intergovernmental Transfers	1,007,866.89	811,400.08	978,572.67	455,228.51	663,361.13
Taxes	13,933.92	14,193.32	13,970.43	14,113.61	14,758.52
Other	28,271.86	45,714.51	30,087.06	8,269.40	12,411.07
<b>TOTAL REVENUES</b>	<b>1,050,072.67</b>	<b>871,307.91</b>	<b>1,022,630.16</b>	<b>477,611.52</b>	<b>690,530.72</b>
<b>Expenditures:</b>					
Salaries and Benefits	463,089.96	428,772.37	377,308.13	317,736.31	340,155.87
Services and Supplies	95,516.94	212,041.19	234,200.04	77,495.83	70,937.95
Other	211,247.90	488,974.31	197,922.37	126,948.65	218,997.15
<b>TOTAL EXPENDITURES</b>	<b>769,854.80</b>	<b>1,129,787.87</b>	<b>809,430.54</b>	<b>522,180.79</b>	<b>630,090.97</b>
<i>Revenues Less Expenditures</i>	<i>280,217.87</i>	<i>-258,479.96</i>	<i>213,199.62</i>	<i>-44,569.27</i>	<i>60,439.75</i>
SOURCE: County of Yolo Budget and Revenue Status Reports					

The District's revenues come primarily from grants or contracts with public agencies, which are labeled as intergovernmental transfers in the budget summary below. Grants and contracts are generally not very stable and reliable, which leaves the District with budgets that may fluctuate significantly from year to year. Additionally, grants and contracts generally come with very specific requirements regarding how the money can be spent, which means that the District has little flexibility in how and when it expends its budget. The District's only stable and general purpose funding sources is property taxes, of which it receives approximately \$14,000 annually. Having a lack of stable funding sources may cause difficulty in staying on track with adopted budgets, and may cause fluctuations in the District's ability to pay for staffing and administrative functions.

- b) The District currently has a reserve of \$70,614, which is approximately 11% of its budgeted costs for FY 13/14. Best practices regarding an appropriate level of reserve often vary based on the agency and services it provides, but generally range from 5-20% of total budget. The existing reserve amount may be sufficient for the District, given that it does not maintain any significant infrastructure.

However, the District may wish to consider that its budgets have decreased significantly in recent years, and if it is expecting to increase its revenues in the coming years it may also need to proportionally increase its reserve. Additionally, given that the majority of the District's revenues are relatively unstable, maintaining a strong reserve will improve the District's ability to maintain staff during years with fewer revenues. The District does not currently have a reserve policy to guide its practices on this issue, and may wish to adopt a formal reserve policy that consider the various scenarios in which it may need to rely on a reserve.

- c) The RCD does not have a traditional fee or rate structure, due to the nature of its work. Rather, when the RCD is asked to take on a project its staff develops an expected budget based on the direct and indirect costs of completing the project. The entity or person requesting the project is then

responsible for paying for the full costs of the project. This appears to be a fair rate system, as project funders are charged for the actual costs of completing the project.

The RCD also has a billable rate for each staff position, which gets incorporated into the project budgets as they are developed. The billable rates are updated at the beginning of each fiscal year, and the current rates are listed in the table below.

<b>Position</b>	<b>Hourly Rate</b>
Executive Director	\$90
Administrative Assistant	\$49
Financial Manager	\$64
Project Assistant	\$52
Senior Program Manager	\$83
Program Manager	\$60
Field Technician	\$37
Intern	\$32

- d) The District does not maintain any property, machinery or infrastructure, but does own several vehicles. The District staff has indicated that they do not have any significant near-term needs related to infrastructure or equipment. The District maintains a reserve that would be sufficient to replace one of its vehicles in the event of an unexpected breakdown or accident. However, the District does not maintain any replacement schedule for its vehicles, to aid with planning for the regular replacement of vehicles due to aging. The District should consider developing a vehicle replacement plan to ensure that adequate funding is available to replace its vehicles in a timely manner.
- e) The District has adopted three financial policies, including:
  - Policy for Contract and Invoice Approvals (2007)
  - Policy and Procedures for Reimbursement of Employee Expenses (2006)
  - Compensation Policy (2012)

It may be helpful for the District to expand its financial policies to cover additional topics, such as budget preparation process, reserve and contingency funds, and debt management practices. Financial policies help to ensure the financial stability of an organization, and the District should work towards documenting all of its financial management practices.

- f) According to District staff, the RCD has no debt.

**Financial Ability MSR Determination**

Overall, the Yolo County Resource Conservation District appears to engage in sound financial management practices, including adopting an annual budget, commissioning independent audits, maintaining a sufficient level of reserve, maintaining an appropriate level of debt, and charging a fair rate for its services. The District has struggled with overspending its revenues in two of the previous five fiscal years, which LAFCo staff suspects is a result of the relatively unstable nature of its revenues (which are mostly grants and contracts). This issue with unstable revenues is unlikely to change given the nature of its services, and the District can better equip itself to deal with fluctuations in revenues by implementing some of the recommendations below.

Recommendations:

- The District should consider developing a vehicle replacement plan to ensure that adequate funding is available to replace its vehicles in a timely manner.
  - The District does not currently have a reserve policy, and may wish to adopt a formal reserve policy that consider the various scenarios in which it may need to rely on a reserve.
  - The District should consider expanding its financial polices to cover additional topics, such as budget preparation process, reserve and contingency funds, and debt management practices.
- 

**5. SHARED SERVICES AND FACILITIES**

Status of, and opportunities for, shared facilities.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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**Discussion:**

- a) The District maintains strong partnerships with a variety of private individuals, businesses, farmers, ranchers, non-profits and special districts. The District also works with public partners, including federal, state, county and city governments. The District works primarily within Yolo County, but also occasionally provides services in areas outside the District boundaries in cooperation with the associated special districts.
- In particular, the District maintains a strong partnership with the local service center of the USDA Natural Resource Conservation Service (NRCS), including a shared office space, partnerships on projects, and shared staff expertise. NRCS has a similar mission to the RCD, providing farmers and ranchers with financial and technical assistance to voluntarily engage in conservation practices.
  - The RCD has a small storage area at the Yolo County Flood Control and Water Conservation District (YCFWCW) for storage of vehicles and equipment. The area is a secured corner of the YCFWCW equipment yard on Highway 16, which they use to store vehicles and moisture sensitive items. The RCD also uses the space to store a couple of trailers and an array of plants. In

- exchange for use of the space the RCD paid for improvement to the fence in the storage yard. Otherwise, the RCD pays no rent.
- The RCD also has a shared service agreement with the YCFCWCD that allows them to share a part-time Project Manager.
  - The District uses the County Treasury and payroll. Both of these services are provided by the County to special districts free of charge.
- b) The District maintains strong partnerships with many local organizations, and is always pursuing new partnerships. The District might wish to consider the following opportunities for additional shared services, when appropriate:
- The District might benefit from expanding the use of shared staff positions with partner agencies when appropriate, much like its existing agreement to share a part-time Project Manager with the YCFCWCD. The District currently maintains several part-time positions, but it is often difficult to recruit and maintain employees in part-time positions. In circumstance where additional staff capacity is necessary, but the District cannot afford a full-time position, the District may wish to explore opportunities to share a position with another local agency or district.
  - The District may also wish to explore the possibility of using the County's pooled purchasing services for future vehicle purchases, if it proves to be more cost effective than purchasing separately.
- c-d) The RCD is the only special district providing resource conservation services in Yolo County. The District takes advantage of several opportunities to increase efficiencies and produce economies of scale through the use of shared workspace and resources with partner agencies, and LAFCo staff is not aware of any governance options that would increase efficiencies or opportunities for shared service.

#### **Shared Services MSR Determination**

The Yolo County Resource Conservation District currently maintains a multitude of partnerships (with private individuals, businesses, farmers, ranchers, non-profit organizations, special districts, and government agencies) in order to share services, facilities, resources and expertise as appropriate. LAFCo staff is not aware of any governance restructure options that will increase efficiencies, but has identified several additional opportunities for shared services.

#### Recommendations:

- The District might benefit from sharing staff positions with partner agencies when appropriate. The District currently maintains several part-time positions, but it is often difficult to recruit and maintain employees in part-time positions. In circumstance where additional staff capacity is necessary, but the District cannot afford a full-time position, the District may wish to explore opportunities to share a position with another local agency or district.
- The District may also wish to explore the possibility of using the County's pooled purchasing services for future vehicle purchases, if it proves to be more cost effective than purchasing separately.

**6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES**

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

	YES	MAYBE	NO
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

a) The Resource Conservation District is governed by a five member Board of Directors composed of local growers and landowners. The Board members are selected based on their experience as active conservation partners in the community, and are appointed to four-year terms by the Yolo County Board of Supervisors. Board composition is intended to represent a broad spectrum of conservation interests and expertise.

In addition to a five member Board, the District has seven non-voting Associate Directors to provide information and expertise to the Board and attend functions on the Board's behalf. When Board positions become available, the District generally recruits from its existing pool of Associate Directors.

The Board meets on the second Wednesday of every month at 5pm at the Resource Conservation District Office. The District complies with all Brown Act requirements in publicly noticing its meetings.

- b) The District has had difficulty in recent years with recruiting and maintaining Board members. In 2008 the RCD expanded its Board membership from 5 to 7 in order to expand the range of expertise available on the Board. However, some turnover occurred in the following years, and the District had difficulty recruiting new members. Recognizing the ongoing challenges with Board recruitment, in July 2013 the Board chose to reduce its membership from 7 back to 5, which was confirmed by the Board of Supervisors in October 2013.

At this time the five-member Board is full, and the District uses a promising recruitment strategy that involves recruiting for new Board members from its existing pool of Associate Directors. The District has not had any issues with establishing a quorum in the past year.

- c) District staff has indicated that they currently have an adequate staffing level to handle the workload, and would hire additional project managers if the need arose.

However, the District did indicate that they have previously experienced some challenges with maintaining a stable staffing level, given the fluid nature of their funding sources. Because much of the District's work and funding is project based, the need for administrative and project staff fluctuates frequently. Issues with staffing stability can impact an organization's ability to recruit and maintain qualified and dedicated staff, cause the loss of valuable expertise or institutional knowledge, and may be harmful to partner relationships. The District may wish to explore creative opportunities to maintain or share staff, such as the recommendation in Section 5 (above) to pursue opportunities to share staff with partner agencies. Additionally, the District may wish to build a reserve specifically to help the organization maintain staff during periods of funding and project fluctuation.

- d) The District works to maintain transparency by receiving annual independent audits, and producing annual adopted budgets. Many of the District's work products are made available on its website, and more information on the District can be requested through email, post, or in-person at the office. The District also produces monthly newsletters for interested parties, which provides additional information on District activities.

The District may also wish to consider expanding the content on its website to include adopted budgets and third party financial audits. This would make the District's financial information more accessible to interested parties, and increase its overall transparency.

- e-f) LAFCo staff is not aware of any possible changes to the RCD's governance structure that will increase accountability, enhance services or eliminate deficiencies. The RCD is the only special district providing resource conservation services within its boundaries.
- g) The RCD boundaries do not overlap with any other district's providing resource conservation services.

**Accountability, Structure and Efficiencies MSR Determination**

The RCD has frequent and publicly accessible meetings that are publicized in accordance with the Brown Act. The District adopts annual budgets, completes annual independent audits, and currently has a full and stable Board of Directors. LAFCo staff is not aware of any potential changes to the District's governance structure or boundaries that will increase accountability, enhance services or eliminate deficiencies. However, LAFCo staff did identify several opportunities for the RCD to increase transparency, efficiency and organizational stability, as discussed in the recommendations below.

Recommendations:

- The District should consider building a reserve specifically to help the organization maintain staff during periods of funding fluctuation, in order to increase staffing stability.
- The District should consider expanding the content on its website to include adopted budgets and third party financial audits, to increase the district's financial transparency.

**7. OTHER ISSUES**

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

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Discussion:**

- a) LAFCo staff conducted outreach to several RCD stakeholders while researching this MSR, including RCD staff, Clerk of the Board, the County Administrator's Office, and all of the Board of Supervisor's Offices. During the outreach process two additional issues were identified, that are not discussed in the previous 6 MSR determinations.

**Annexation of Cities into RCD Boundaries:** Prior to LAFCo beginning this MSR the RCD contacted LAFCo to explore the possibility of annexing Yolo's four cities (Davis, West Sacramento, Winters and Woodland) into its boundaries. The cities are currently in the District's sphere of influence, and the District frequently provides resource conservation services inside city boundaries, as well as in the rural areas.

Presently, the District receives \$0.00035 for every property tax dollar collected within its boundaries, which generally amounts to approximately \$14,000 per year. However, the RCD would receive a significant increase in property taxes if the cities were annexed into the RCD's boundaries at a similar property tax rate as it currently receives in the unincorporated areas.

The table below provides a projection of the potential property tax shares the District could receive. The District will likely only receive approximately \$14,000 this year from its territory in the unincorporated county, while it would receive approximately \$76,000 if its boundaries covered all of Yolo County. These additional funds would be available to the RCD for general use, and would be very valuable to the RCD because it has very few flexible funding sources.

<b>Projected Property Tax Shares for the RCD</b>			
<b>Community</b>	<b>Assessed Value</b>	<b>1% of Assessment</b>	<b>Potential RCD Share (\$0.00035/\$1)</b>
Davis	6,916,245,900	69,162,459	<b>\$24,207</b>
Winters	454,959,237	4,549,592	<b>\$1,592</b>
Woodland	4,741,038,491	47,410,385	<b>\$16,593</b>
West Sacramento	5,653,302,904	56,533,029	<b>\$19,786</b>
Unincorporated Areas	4,050,554,446	40,505,544	<b>\$14,176</b>
<b>Total County</b>	<b>21,818,600,599</b>	<b>218,186,006</b>	<b>\$76,365</b>

*Methodology:* The calculations are based on the assumption that a rate of 1% (the maximum assessment rate in California) would be collected on all assessed value, and the RCD would receive the same share of property taxes (\$0.00035/\$1) in all areas that it currently receives in the unincorporated areas.

*Source:* County of Yolo (2014). Assessment Roll Summary.

While annexing the cities into the RCD boundaries would result in positive financial impacts, the RCD also acknowledged the difficulties associated with pursuing this annexation. Specifically, annexation would require extensive negotiations with each city to determine the tax share, which would be costly and time consuming. If the RCD and cities could not come to an agreement then the annexation could not proceed.

Due to the complexities of the annexation process, the RCD has chosen not to pursue annexation of the cities at this time. The RCD may choose to pursue this topic further at a later date.

**Possible Transfer of Yolo Bypass area from Dixon RCD to Yolo RCD:** There is a small area of land in Yolo County (the Yolo Bypass Wildlife Area) that is currently provided resource conservation services by the Dixon RCD, rather than the Yolo RCD. Dixon RCD has been serving the area for many years, and there has previously been no reason to transfer the lands. However, Dixon RCD recently approached the Yolo RCD and requested that Yolo take over the work Dixon is doing in Yolo County. If the RCDs reach an agreement on this issue, they may wish to change their boundaries to appropriately reflect this change at some point in the future. LAFCo encourages the District to continue pursuing this opportunity, and to approach LAFCo when it is prepared to annex the Yolo Bypass area. At that time, Yolo LAFCo would work with Solano LAFCo to detach the territory from the Dixon RCD and annex it into the Yolo RCD.

#### **Other Issues MSR Determination**

During the MSR process LAFCo staff identified two potential issues that were not settled in a previous MSR determination. The RCD staff expressed some interest in annexing Yolo's four cities into its boundaries, in order to increase the RCD's share of property taxes. The RCD often provides services in Yolo's urban areas, but does not currently receive any property taxes to fund this work. Upon further exploration of this topic, the RCD chose not to pursue annexation at this time, given the cost and time demands of the annexation process.

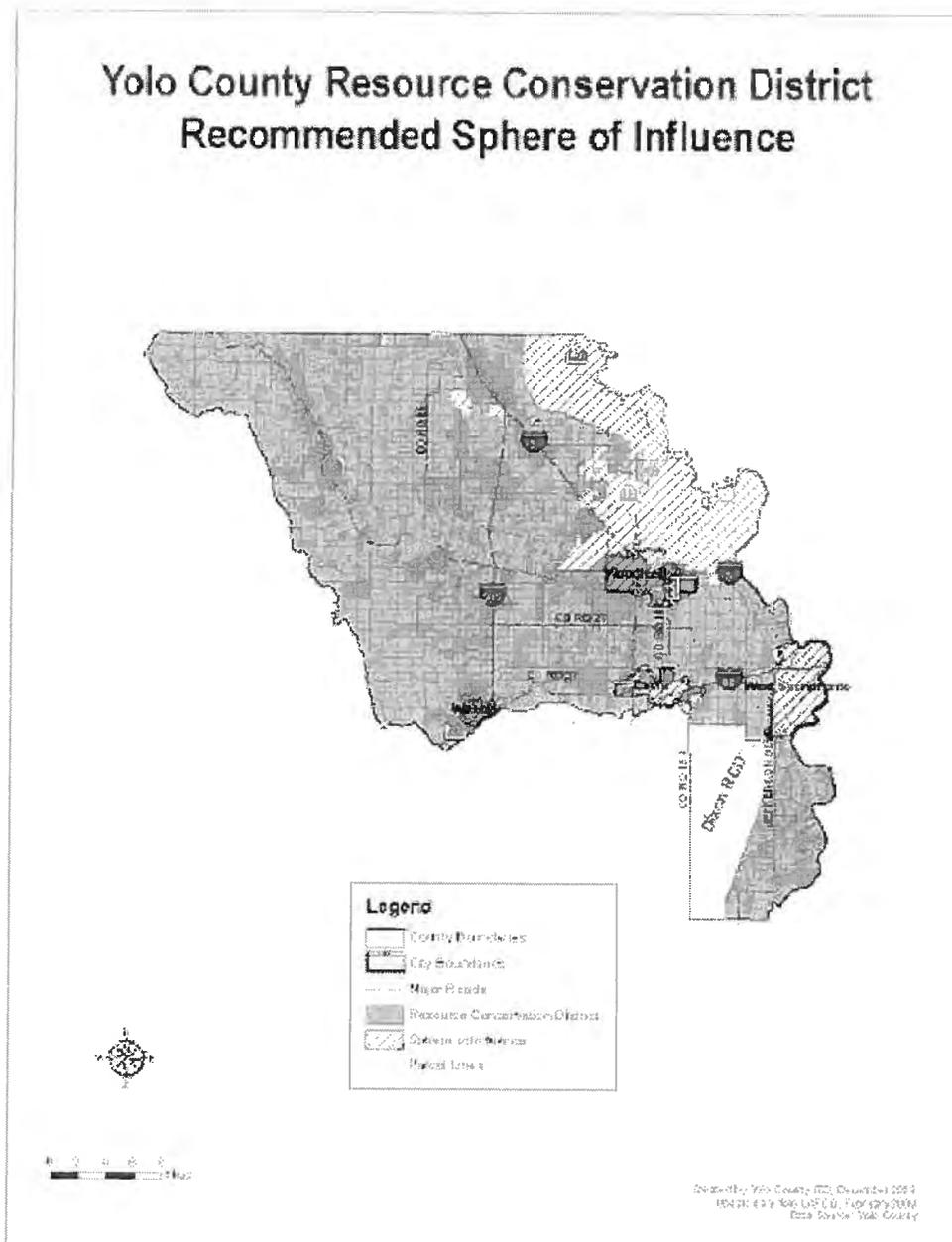
#### *Recommendations:*

- LAFCo encourages the District to continue discussions with the Dixon RCD regarding the possibility of transferring resource conservation work in the Yolo Bypass Wildlife Area from Dixon to Yolo, and to approach LAFCo if it would like to annex the territory at some point in the future.

## SPHERE OF INFLUENCE STUDY

### Existing Boundary and Sphere of Influence

The current boundary and sphere of influence for the Yolo County Resource Conservation District are as reflected in the map below. No sphere of influence update is recommended with this review. The District's sphere already covers all of Yolo County, with the exception of the small territory that is served by Dixon RCD.



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.

#### REFERENCES

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