

**EXECUTIVE OFFICER'S AGENDA REPORT
DECEMBER 2, 2015**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: 2016 WORK PROGRAM - MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATES

RECOMMENDATION

Staff recommends that the Commission consider adoption of a work program to guide completion of Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) updates. The Commission may direct Staff to prioritize certain updates as needed.

DISCUSSION

One of LAFCO's responsibilities includes a periodic review of spheres of influence for each city and special district. As part of this process a municipal service review must also be completed, outlining the services provided by the agency and making a series of determinations. Stanislaus LAFCO typically combines these into one document (referred to as a MSR-SOI) for better use of staff time and resources.

The requirement for reviewing and updating a sphere of influence is outlined in Government Code Section 56425(g) which states, "on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence."

Consistent with the above, Stanislaus LAFCO has generally made it a goal to initiate MSR-SOI updates for the special districts every five years, as these serve as a means for the Commission to check-in with various districts and service demands throughout the County.

For cities, the Commission has interpreted the "as necessary" provision in the above code section as coinciding with a city's General Plan update. City MSR-SOI updates are generally more detailed and time consuming than those of special districts and are often completed by a consultant in conjunction with an application to LAFCO.

The Commission's policies state that it is preferred that municipal service reviews be completed by LAFCO staff where possible to avoid additional costs of using outside consultants. The Commission's policies also state that in order to be cost-effective, MSR-SOI updates will be completed using existing information and documents that are available (e.g. master plans, general plans, budgets, etc) and are not intended to initiate new analyses.

2016 Goals - Special Districts

Staff has identified the following special districts whose current MSR-SOI documents exceed the five-year update goal and would benefit from updates. Initial information gathering has already begun for these districts, with the goal of having the MSR-SOI updates presented to the Commission for adoption in 2016.

- **Fire Protection Districts (14 total)**

The previous MSR-SOI document for the fire districts was completed in 2007 by a consultant. As a compilation of fire district information for the County, the MSR-SOI is often referenced by other agencies and is a valuable resource. An update was initiated by the former Executive Officer in 2012 but never completed. The districts have experienced numerous changes during this time and LAFCO Staff intends to meet with each district to discuss inclusion of current information for the document.

- **County Service Areas (CSAs - 24 total)**

The previous MSR-SOI document for the CSAs was adopted in 2010 and identified three inactive CSAs. An updated MSR-SOI is recommended in order to allow for the Commission to examine the current status of these districts and make appropriate recommendations.

- **Westside Agricultural Water Providers (6 total)**

The previous MSR-SOI document for westside irrigation and water districts (agricultural) was adopted in 2009. Due to drought conditions since that time and reduced water allocations, an update to the document would be beneficial to provide the status of each of the districts.

- **Western Hills Water District**

The Western Hills Water District provides water, sewer, and storm drainage services to the Diablo Grande area. The previous MSR-SOI document was adopted in 2010 and would benefit from updated information regarding the District's water supply and services.

- **Knights Ferry Community Services District**

The previous MSR-SOI for the Knights Ferry Community Services District was adopted in 2009. The document would benefit from more detailed information regarding the District's water supply and infrastructure.

- **Monterey Park Tract Community Services District**

Since the previous update for the Monterey Park Tract Community Services District in 2010, the District and City of Ceres reached an agreement regarding provision of water service to the District. This new information would be a valuable addition to the Commission's determinations related to service delivery in the MSR-SOI document.

A draft schedule for all the special districts, organized by the date of the prior update is attached. The special districts are grouped together by the target year for adoption of a new MSR-SOI update. Should the special districts in the 2016 group be adopted prior to the end of the year, MSR-SOI updates for the 2017 group will be initiated in order to bring these closer to the 5-year goal.

Upcoming City Updates

In addition to the above special districts, the following cities would also benefit MSR-SOI updates in the near future:

- **City of Hughson**

The City of Hughson's previous MSR-SOI update was completed in 2005. Although no general plan or sphere of influence amendments are currently being processed by the City, the document should be updated to reflect more current data regarding the City's services. LAFCO Staff will consult with the City to develop a strategy to update the document.

- **City of Modesto**

The City's previous MSR-SOI update was completed in 2004. The City is currently in the process of a General Plan update and has been informed of the need for an updated MSR-SOI document. It is anticipated that the City will initiate completion of an MSR-SOI update in association with an application to the Commission. LAFCO Staff will offer assistance as needed for the completion of the update.

As noted previously, city MSR-SOI updates are typically initiated by the cities and/or their consultant in conjunction with a general plan update and/or a proposed sphere of influence amendment. A list of each city and the adoption date of its current MSR-SOI document is also attached to this report.

CONCLUSION

The 2016 Work Program is an ambitious schedule, as paid applications (e.g. annexations, out-of-boundary service extensions) have required timeframes that are given precedence over Municipal Service Reviews and Sphere of Influence updates.

Likewise, other tasks that involve upcoming projects (e.g. responses to environmental referrals, pre-application meetings, etc.) may also delay MSR-SOI goals. Staff will continue to keep the Commission apprised of the progress in meeting its MSR-SOI goals during preparation of LAFCO's Fiscal Year 2016-2017 budget.

Attachments:

Special Districts MSR & SOI Update Schedule
Cities MSR & SOI Updates

SPECIAL DISTRICTS
MSR & SOI UPDATE SCHEDULE - BY YEAR

	DISTRICT	LAST MSR COMPLETED
2016	Fire Protection Districts - Burbank-Paradise, Ceres Rural, Denair, Mountain View, Turlock Rural, Westport, Woodland, Hughson, Industrial, Keyes, Salida, Stanislaus Consolidated, West Stanislaus and Oakdale Rural	April 25, 2007
	Community Services District - Knights Ferry	July 22, 2009
	Westside Irrigation & Water Districts - Patterson and West Stanislaus IDs	July 22, 2009
	Eastin, El Solyo, Del Puerto, Oak Flat WDs	July 22, 2009
	County Service Areas (CSAs) -- 24 total	May 26, 2010
	Water District - Western Hills	June 23, 2010
	Community Services District - Monterey Park Tract	June 23, 2010
2017	Irrigation District - Modesto Irrigation District	January 26, 2011
	Turlock Irrigation District	May 25, 2011
	Drainage District - Newman Drainage District	July 27, 2011
	Sanitary District Empire Sanitary District	August 24, 2011
	Community Services District - Riverdale Park Tract	December 7, 2011
2018	Sanitary District - Salida Sanitary District	January 25, 2012
	Water District - Eastside Water District	March 28, 2012
2019	Water District - Rock Creek Water District	June 26, 2013
	Mosquito Abatement Districts - Turlock and Eastside	July 24, 2013
	Irrigation District - Oakdale Irrigation District	July 24, 2013
2020	Community Services District - Denair and Keyes	August 27, 2014
	Resource Conservation Districts - East Stanislaus and West Stanislaus	August 27, 2014
	Cemetery Districts - Hills Ferry, Knights Ferry and Patterson	September 24, 2014
	Community Services District - Crows Landing, Grayson, Westley	December 4, 2014
2021	Healthcare & Hospital Districts - Del Puerto Healthcare, Westside Community Healthcare, and Oak Valley Hospital Districts	January 28, 2015
	Flood Control Districts - Orestimba Creek and Sand Creek	<i>Comm. Review:</i> December 2, 2015

CITIES
ADOPTED MUNICIPAL SERVICE REVIEWS (MSRs) &
SPHERE OF INFLUENCE (SOI) UPDATES

CITY	MSR-SOI ADOPTION	NOTES
Ceres	February 22, 2012	<i>City has begun General Plan Update process</i>
Hughson	August 24, 2005	-
Modesto	September 22, 2004	<i>City is working on Draft EIR for General Plan Update</i>
Newman	January 28, 2009	<i>City is working on environmental documentation for Northwest Master Plan</i>
Oakdale	July 22, 2015	<i>Just completed SOI modification (with simultaneous annexation)</i>
Patterson	December 4, 2013	-
Riverbank	June 26, 2013	<i>City is working on a draft MSR-SOI Update to be presented to City Council in Dec. 2015</i>
Turlock	September 26, 2007	-
Waterford	August 22, 2007	-

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