

April 4, 2002 (Agenda)

Local Agency Formation Commission  
105 East Anapamu Street  
Santa Barbara CA 93101

## **Preparation of Municipal Service Reviews**

Dear Members of the Commission:

### RECOMMENDATION

It is recommended that the Commission:

- Receive this staff report regarding the requirement for LAFCOs to prepare Municipal Service Reviews prior to or in conjunction with updating spheres of influence,
- Discuss methods to effectively comply with this mandate in Santa Barbara County, including the possibility of convening a “technical committee” of staff representatives from the County, cities and special districts, and perhaps private organizations, to assist the LAFCO staff and provide advice and guidance to the Commission, and
- Continue further discuss of this matter to the May 2 LAFCO meeting.

### DISCUSSION

#### Introduction

On February 7 the Commission received information in a report from the staff regarding the legislative amendments that obligate LAFCOs to review and update adopted city and district spheres of influence at least every five years.

The legislation also requires LAFCOs to “conduct a service review of the municipal services provided in the county or other appropriate area designated by the Commission.”

The statute further requires the Commission in conducting these service reviews to prepare a written statement of its determinations with respect to the following matters;

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

The statute requires LAFCO in preparing service reviews to “comprehensively review” all of the agencies that provide the identified service or services within the designated geographic area.

On February 7 the Commission received a staff recommendation to structure the preparation of service reviews by grouping agencies by (a) geographical area within the County or (b) the type of service being provided. The Commission directed the staff to disseminate the information as recommended it included sewer collection and treatment, water supply and schools to the types of services to be included in the reviews.

#### OPR Guidelines for Preparing Municipal Service Reviews

The State Office of Planning and Research has yet to issue LAFCO “Service Review Guidelines.” However a “final draft” was circulated earlier this month. The Commission has delayed actually preparing service reviews pending the availability of these guidelines. We informed they will be something like OPR’s General Plan Guidelines but are intended to be more advisory in nature.

Some LAFCOs are not waiting for the guidelines to be issued. San Diego LAFCO, for example, has embarked on a data gathering process by sending a comprehensive questionnaire to each local agency in the county. The questions are tied closely to the “determinations” that LAFCO must make in preparing service reviews.

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I am enclosing the questionnaire (Attachment 1) for your information so the Commission can have a sense of the effort this would be for local agencies to complete and the LAFCO staff and Commission to assimilate and use in preparing the reviews. One approach in Santa Barbara County would be to utilize a similar data gathering procedure.

Some LAFCOs plan to schedule their service reviews studies over five years, so they theoretically will do 20% of the agencies each year. Another approach is taken by the Santa Cruz LAFCO that decided to complete all of its service reviews at one time. It is interviewing consulting firms to undertake that monumental task.

The San Luis Obispo LAFCO has taken an incremental approach and plans to prepare service reviews based on a priority of 1 to 5, illustrated by the enclosed Service Review Work Plan (Attachment 2). The first study to be completed, the Draft Municipal Review for the City of Pismo Beach is 78 pages in length. There is also a 50 page Draft Sphere of influence Update and an Expanded Initial Study/ Mitigated Negative Declaration for both documents.

One approach determining how the Santa Barbara LAFCO should undertake these reviews would be to convene a technical working taskforce composed of staff from the County, cities, special districts and LAFCO. The goal should be to prepare these reviews in a manner that (a) involves the affected parties, (b) builds on existing information, (c) is achievable with a reasonable expense of time and energy, (d) has the least duplication of effort and (e) yields useful results that helps inform the Commission's decisions about spheres of influence.

The staff would appreciate the Commission's discussion of these issues on April 4 so the matter can be returned to the agenda at the May 2 meeting for further dialogue and direction.

If you have any questions, please contact the LAFCO office.

Sincerely,

BOB BRAITMAN

Executive Officer

cc: County Administrator  
City Managers  
Special District Managers  
City and County Planning Directors

**TO RECEIVE A COPY OF THE TWO ATTACHMENTS  
MENTIONED IN THIS LETTER, PLEASE CONTACT THE  
LAFCO OFFICE AT (805) 568-3391 AND THEY WILL BE SENT  
TO YOU.**