

SERVICE REVIEW POLICIES

(Adopted September 21, 2007, Amended February 15, 2008,
Amended 10/21/2011, December 14, 2012)

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to conduct service reviews prior to establishing or updating spheres of influence. A service review is a comprehensive review of services within a designated geographic area intended to obtain information about municipal or agency services. Its purpose is to evaluate the provision of services from a comprehensive perspective and recommend actions, when necessary, to promote the efficient provision of those services. The service reviews are intended to serve as a tool to help LAFCo, the public and other agencies better understand the public service structure and evaluate options for the provision of efficient and effective public services. LAFCo must have a current Municipal Service Review (MSR) that demonstrates that the agency can provide adequate and efficient services to the areas included within the agency's sphere.

A. GENERAL STANDARDS

1. Guidelines: The Municipal Service Review Guidelines (August 2003) prepared by the State Office of Planning and Research shall be used as a background for preparing service reviews for a jurisdiction or agency.
2. Timeline: The service review must present information on future projections and plans tied to the 5-10, and 30-year sphere horizons of the Sphere of Influence Plan, so that service information can be clearly tied to the plan. In the case of cities, a shorter timeframe may be appropriate if the applicable General Plan has a shorter planning period remaining when the service review is prepared.
3. Adequate Services Required: The service review must demonstrate that adequate services can be provided within the time that the inhabitants of the area will need them.
4. Completion Date: Initial Service Reviews should be completed by January 2008 and will be reviewed and updated as necessary but no later than every five years in conjunction with or prior to Spheres of Influence reviews and updates. Minor amendments to a Sphere of Influence, as determined by LAFCo, may not require a service review. Service reviews may need to be updated independent of a Sphere of Influence review, as determined by LAFCo, to facilitate review of a pending application or other LAFCo action.
5. Identification of Land Uses: The Service Review must identify existing land use and give a reasonable projection of land use, which would occur if services were provided consistent with the MSR.

6. Consistency Required: Service reviews must be internally consistent and consistent with any overlapping jurisdiction.
7. Existing Resources: Use of existing information resources, technical support from the county, cities and special districts when available and adequate shall be used to reduce processing costs and improve the timeliness of the reviews.
8. Affected Agencies: Service reviews will cover a range of services that a public agency provides or is authorized to provide (i.e. fire, water, sewer, police, and storm water). General government services such as social services and criminal justice need not be addressed. Agencies that are required to have SOIs and require service reviews include: cities (7), special independent districts (104), and dependent districts (45). Countywide districts (i.e., San Joaquin County Resource Conservation District, San Joaquin Mosquito and Vector Control) will not require preparation of service reviews.
9. Organization of Service Reviews: A service review may be conducted for sub-regional areas within the county or on a countywide basis, it may review a single agency or multiple agencies and it may review a single service or multiple services. LAFCo will determine how service reviews will be organized and conducted in San Joaquin County.
10. Information Sharing: LAFCo encourages collaboration, cooperation and information sharing among service providers and encourages public participation in the process.
11. City Services Plans: City Services Plans used in conjunction with a proposed change of organization shall be in conformity with the MSR.
12. Cross-county MSRs: LAFCo will work together with other County LAFCo's to develop a schedule and plan for managing cross-county MSRs.
13. Districts Receiving Mitigation Fees: Every five years LAFCo will conduct Service Reviews and evaluate the financial ability of the districts to provide service and shall evaluate the continued necessity of the temporary mitigation fee in light of other government alternatives including but not limited to contract for services and other reorganization/consolidation options.

B. SPECIFIC MUNICIPAL SERVICE REVIEW REQUIREMENTS:

The focal point of the service review process lies with the preparation of written statements of determination regarding the agency's ability to provide services. Determinations cannot merely cite some broad policy statement from the General Plan or recite a series of actions that might be undertaken. The determinations need to be declaratory statements that arrive at a conclusion based of all of the information and

evidence presented to the Commission. The determinations need to bridge the gap between raw data and the final conclusion about the status or condition of the service that is under review. The Commission needs this information to determine the appropriateness of the sphere.

The Cortese-Knox-Hertzberg Act requires LAFCO to make written evaluations on nine categories. The following is a brief description of the determination and the standard for which the service will be review:

Determination 1: Growth and population projections for the affected area

The need for, and patterns of, service provision should be determined by existing and anticipated growth patterns and population projections. The municipal service review will evaluate whether projections for future growth and population patterns are integrated into an agency's planning function. This analysis will be used to determine whether the sphere boundaries reflect expected growth boundaries. Consideration should be given to the impact on growth/land use patterns for adjacent areas, on mutual or regional social and economic interests, on open space and agricultural land, and on the government structure of the county. Growth and population projections should correspond to the sphere horizon and phasing plan depicted in the Sphere of Influence.

Determination 2: The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Cities or special districts that provide sewer, municipal and industrial water and structural fire services shall identify any disadvantaged unincorporated communities (DUCs) within or contiguous to the sphere of influence of cities or special districts, and shall make a determination on infrastructure needs or efficiencies for those public facilities and services within the identified DUC.

Determination 3: Present and planned capacity of public facilities and adequacy of public services, including 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.

Refers to the status of existing and planned public facilities and its relationship to the quality and levels of service that are, can and need to be provided. Infrastructure needs and deficiencies can be evaluated in terms of supply, capacity, condition of facilities, and service quality with correlations to operational, capital improvement, and finance plans. Maps and explanatory text that clearly indicate the location of existing facilities and proposed facilities, including a plan for the timing and location of new or expanded facilities need to be included. The identification of the anticipated service level needs to be tailored to the 5-10, and 30 year sphere horizons.

Determination 4: Financial ability of agencies to provide service

A community's public service needs should be viewed in light of the resources available to fund the services. The MSR will need to evaluate factors that affect the

financing of necessary improvements and whether agencies are capitalizing on financing opportunities and collaborative strategies to deal with financial constraints.

Determination 5: Status of, and opportunities for, shared facilities

The service review should identify opportunities for jurisdictions to share facilities and resources creating a more efficient service delivery system. Sharing facilities and utilizing excess capacity in another agency's service system works to avoid service duplications, reduces costs, and minimizes unnecessary resource consumption. The service review will need to inventory facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services will also be considered.

Determination 6: Accountability for community service needs, including governmental structure and operational efficiencies

The MSR will consider the advantages and disadvantages of various government structures that could provide public services. San Joaquin LAFCo encourages local agencies to use service reviews to determine whether initiation of proceedings for changes of organization and reorganization, including spheres of influence, would be in order and in the best interests of the agency and the community it serves. LAFCo will examine efficiencies that could be gained through: (1) functional reorganizations within existing agencies; (2) amending or updating spheres of influence; (3) annexations or detachments from cities or special districts; (4) formation of new special districts; (5) special district dissolutions; (6) merges or special districts with cities; (7) establishment of subsidiary districts; or (8) any additional reorganization options found in the LAFCo statute.

Operational efficiency refers to the quality of public services and the agency's ability to provide services. Efficiently managed entities consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, build and maintain adequate contingency reserves, and encourage open dialogues with the public and other public and private agencies. The MSR will evaluate operational efficiency by analyzing agency functions, operations, and practices as well as the agency's ability to meet current and future service demands.

C. PUBLIC PARTICIPATION AND PUBLIC HEARINGS

LAFCo encourages the early involvement of agencies, the public, and other stakeholders in development of the service review report. A formal review period shall be provided and a meeting/workshop with the Commission shall be held to accept comments from the public and the Commissioners prior to finalizing the document. The final report shall be available to the public at least 21 days prior to final consideration by the Commission. This public review period may be in conjunction with the 21-day notice requirement for the public hearing. The service review shall be adopted by resolution at a noticed public hearing. If the municipal service review supports a particular action such as a sphere of influence update or amendment

application, and the required processes have been complied with, the Commission can take action on the proposals the same hearing.

D. CEQA DETERMINATION

LAFCo will consider service reviews, as projects for CEQA purposes and will be processed consistent with the requirements of CEQA and LAFCo's CEQA procedures.