

# **\*\*AGENDA\*\***

## **AMADOR LOCAL AGENCY FORMATION COMMISSION**

**6:00 P.M. – THURSDAY SEPTEMBER 21, 2017  
810 COURT STREET, JACKSON  
BOARD OF SUPERVISORS CHAMBERS**

**Please Note: All LAFCO meetings are recorded. Anyone who wishes to address the Commission must speak from the podium and should print their name on the Meeting Speaker list, which is located on the podium.**

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the LAFCO staff, at (209) 418-9377, by e-mail to [amador.lafco@gmail.com](mailto:amador.lafco@gmail.com). Requests must be made as early as possible, and at least two business days before the start of the meeting.

Meeting Materials are available for Public Review at the LAFCO desk, located at the County Planning Department, 810 Court Street, Jackson, and posted on the Amador LAFCO website.

- 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. APPROVAL OF THE MINUTES OF JUNE 15, 2017**
- 5. APPROVAL OF CLAIMS TO SEPT 21, 2016**
- 6. PUBLIC FORUM –PUBLIC COMMENT**

Any person may address the Commission on any subject within the jurisdiction of LAFCO which is not on the agenda. No action may be taken at this meeting. There is a five (5) minute limit.

- 7. STUDY SESSION AND DISCUSSION: AMADOR COUNTY RECREATION AGENCY (ACRA)**

Update and discussion of ACRA issues with Carolyn Fregulia. The commission may give direction to staff.

- 8. REPORT OF THE LITTLE HOOVER COMMISSION : “SPECIAL DISTRICTS, IMPROVING OVERSIGHT AND TRANSPARENCY”**

Review of the Little Hoover Commission recommendations of August, 2017. The commission may give direction to staff.

- 9. APPOINTMENT OF VOTING DELEGATE TO CALAFCO ANNUAL MEETING & NOMINATIONS, IF ANY, TO THE CALAFCO BOARD OF DIRECTORS (No written materials)**

## 10. OTHER BUSINESS, REPORTS

- a. Correspondence
- b. Commissioner Announcements
- c. Executive Officer's Report, Liability Insurance Decision
- d. Budget Reports (in the review binder at the dais)
- e. Legislation Report
- f. Project Status Report

## 1. ADJOURNMENT

Note: The next regular LAFCO meeting is scheduled for October 19, 2017. This meeting may be cancelled by the Commission.



Roseanne Chamberlain  
Executive Officer

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 48 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 10 copies.

NOTE: State law requires that a participant in LAFCO proceedings who has a financial interest in the decision and who has made a campaign contribution to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

PLEASE DO NOT REMOVE POSTING BEFORE:  
September 22, 2017

# AMADOR LAFCO



## LOCAL AGENCY FORMATION COMMISSION

810 COURT STREET ♦ JACKSON, CA 95642 ♦ (209) 223-6380

### MINUTES

June 15, 2017

This meeting was available via live audio streaming and was digitally recorded.

1. **Call to Order, Pledge of Allegiance & Roll Call**

The June 15, 2017, meeting of the Amador Local Agency Formation Commission (LAFCO), held at the County Administration Center, 810 Court Street, Jackson, California, was called to order by Chairman Crew at 6:02 p.m.

2. **Roll Call**

Members Present:

Pat Crew, Chairman  
Dominic Atlan, City Member  
Tim Murphy, City Member  
Jim Vinciguerra, Public Member

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Staff Present:

Roseanne Chamberlain, Executive Officer  
Nancy Mees, Clerk to the Commission

3. **Approval of Agenda for June 15, 2017**

**Motion:** It was moved by Commissioner Vinciguerra, seconded by Commissioner Atlan, and carried unanimously to approve the agenda as submitted.

4. **Approval of the Minutes of April 20, 2017**

**Motion:** It was moved by Commissioner Murphy, seconded by Commissioner Vinciguerra, and carried unanimously to approve the Minutes for April 20, 2017, as submitted.

5. **Approval of Claims to June 15, 2017**

**Motion:** It was moved by Commissioner Atlan, seconded by Commissioner Murphy, and carried unanimously to approve the Approval of Claims – Meeting Final, as submitted.

6. **Public Forum – Public Comment**

There were no comments.

7. **Adoption of Final Budget for Fiscal Year 2017-18, LAFCO Resolution 2017-01 (Public Hearing)**

Executive Officer Chamberlain reported that the Final Budget in the meeting packet is unchanged from the Proposed Budget approved at the April 20, 2017, Commission Meeting. She said no comments had been received regarding the budget. There were a few questions from the cities of Jackson and Plymouth since they were working on their own budgets and wanted to verify some of the figures.

Chairman Crew opened the Public Hearing. There were no comments.

**Motion:** It was moved by Commissioner Vinciguerra, seconded by Commissioner Atlan, and carried unanimously to close the Public Hearing.

Commissioner Vinciguerra asked if we only ever hear from the cities and county if they have a problem regarding the Proposed Budget, and Ms. Chamberlain responded that that was true. She added that sometimes we receive questions, but because our costs are so modest, we generally receive little comment.

**Motion:** It was moved by Commissioner Murphy, seconded by Commissioner Atlan, and carried unanimously to approve Resolution 2017-01 Adopting the Final Budget as presented.

8. **LAFCO Liability and Errors & Omissions Insurance**

Executive Officer Chamberlain explained that we have been with Aliant for Liability Insurance and Errors and Omissions Insurance for a while, and have never made a claim. The cost of insurance is again going up, so she investigated other options. One insurance package that many LAFCOs use can be obtained through the California Special Districts Association (CSDA). The cost of that insurance is less, but Amador LAFCO would have to join CSDA to obtain it. The cost of the insurance and the CSDA membership fees together puts the total cost approximately \$200 higher than if Amador LAFCO stays with Aliant. Ms. Chamberlain feels, however, that the increased cost would be worthwhile as the new insurance covers more risks and there are also additional benefits to belonging to CSDA.

Amador LAFCO's current insurance was obtained by the county, and Risk Management Staff told Ms. Chamberlain that the E&O coverage would cover her as well as the Commissioners. The CSDA insurance only covers employees, not independent contractors, so would *not* cover her. She believes that the current insurance probably does not cover her either, and she has asked Aliant to verify that, but has not yet heard back from them. If Aliant does cover her, then it would be better to stay with them.

Commissioner Murphy asked if the Commissioners are covered. Ms. Chamberlain replied that, until we obtained the Aliant coverage in 2006, the Commission had not been covered. Since then, Aliant has covered them, and the CSDA insurance would as well. The CSDA insurance is also specific to government entities, whereas the Aliant insurance is not, and that is another factor in favor of CSDA. The Aliant insurance does not cover dishonesty on the part of government officials.

Executive Officer Chamberlain added that the current insurance is not due for renewal until September, but she would like permission from the Commission to make the decision as to which insurance to choose once she has all the information she needs. By consensus, the Commission

authorized Ms. Chamberlain to choose which insurance to purchase based upon her findings as discussed above.

**9. Other Business, Reports**

- a. Correspondence –Executive Officer Chamberlain had included one letter from CALAFCO in the pass-around binder thanking the Commission for allowing staff to attend the Annual Staff Workshop in Fresno this year.
- b. Commissioner Announcements – none.
- c. Executive Officers Report – Ms. Chamberlain reported that things have been unusually quiet for Amador LAFCO the last few months. Through her work at Solano LAFCO the past several months, however, she has learned to appreciate the quality of work that Amador LAFCO does considering our small staff. She attributes this in large part to the leadership of the Commission and the cooperation and helpfulness of county employees.
- d. Budget Report – in the review binder at the dais.
- e. Project Status Report – in the meeting packet. Commissioner Murphy said he likes the status reports and wanted to know how often Executive Officer Chamberlain does them. She responded that she tries to write one every other month, but at least quarterly.

**11. Adjournment**

The next regular LAFCO meeting is scheduled for July 20, 2017, although Executive Officer Chamberlain stated that the July meeting may be cancelled due to lack of items for the agenda.

Chairman Crew adjourned the meeting at 6:16 p.m.

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Pat Crew, Presiding Officer  
LOCAL AGENCY FORMATION COMMISSION

ATTEST: \_\_\_\_\_  
Nancy Mees, Clerk to the Commission

# APPROVAL OF CLAIMS - PACKET DRAFT

AGENDA OF September 21, 2017

APPROVAL OF CLAIMS TO

September 21, 2017

Agenda Item 5

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>INV.DATE</u>	<u>AMOUNT</u>
<b>R Chamberlain</b> 6/3/2017-8/15/2017	Consulting Services Labor** Expense Total, includes mileage**	8/15/2017 8/15/2017	\$ 2,218.50 \$ 227.86
<b>R Chamberlain</b> 8/16/2017-9/18/2017	Consulting Services Labor Expense Total, includes mileage	9/21/2017 estimate 9/21/2017 estimate	\$ 3,000.00 \$ 350.00
<b>N Mees</b> 6/14/2017-8/9/2017	Clerical & Admin Labor** Expenses	8/9/2017	\$ 522.00 \$ -
<b>N Mees</b> 8/10/2017-9/18/2017	Clerical & Admin Labor Expenses	9/21/2017 estimate	\$ 144.00 \$ -
<b>CALAFCO</b>	Conference Registration**	8/2/2017	\$ 1,080.00
<b>Board of Equalization</b>	Filing for Ranch House #180**	8/9/2017	\$ 500.00
<b>Alliant Insurance Services, Inc.</b>	Liability Insurance	9/21/2017	\$ 2,878.22
<b>Amador County Planning Dept.</b>	Copying Charges	9/21/2017	\$ 62.25
<b>LAFCO Board</b>	Meeting Stipends (Maximum of 5 @ \$50.00)		\$ 250.00
	<b>TOTAL</b>		\$ 11,232.83

\*\* Note: Denotes any invoices paid prior to Commission Approval, per Policy 2.3.7

CHAIR:

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*Presiding Officer*

ATTEST:

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*Nancy Mees*  
CLERK TO THE COMMISSION

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**AGENDA ITEM # 7**

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**TO:** ALL COMMISSIONERS, ALTERNATES  
**FROM:** ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER  
**SUBJECT:** UPDATE AND DISCUSSION OF AMADOR COUNTY RECREATION AGENCY  
**DATE:** MEETING OF SEPTEMBER 21, 2017

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Amador County Recreation Agency (ACRA) is the Joint Powers Authority (JPA) that provides park and recreation related services throughout the county, including services within cities. Because the funding source for ACRA is primarily from discretionary contributions of member agencies and more reliable funding may be desired, ACRA and some member entities may be exploring options to reorganize the JPA. Discussions among interested staff and agencies have included forming an independent new special district, a county service area or dependent district, or reorganizing services in some other way.

The Executive Officer met with ACRA staff and the ACRA technical advisory committee and will also attend the ACRA meeting of September 13<sup>th</sup>. While it is unclear at this time what kind of reorganization may be desirable, an update by ACRA staff will assist the commission when a proposal for change of organization of recreation services is advanced.

LAFCO does not have regulatory jurisdiction over Joint Powers Authorities, however, the services provided several JPAs in Amador county are relevant to the services provided by districts and cities. These JPAs are described in the Municipal Services Review along with the cities and districts that LAFCO regulates.

The Municipal Services Review contains general descriptive information about ACRA and the excerpt describing ACRA is attached.

Carolyn Fregulia will present additional information to update the commission about the possible changes.

Attachment: Excerpt from 2014 Municipal Services Review

## **32. OTHER SERVICE PROVIDERS**

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There are municipal service providers in Amador County that are not under Amador LAFCO's jurisdiction. Such agencies play significant roles in service delivery and potentially affect the SOI and government structure options for local agencies that are subject to LAFCO regulation.

### **AMADOR COUNTY RECREATION AGENCY**

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Amador County Recreation Agency (ACRA) operates recreation services countywide. ACRA also owns two parks in the County.

#### **AGENCY OVERVIEW**

ACRA is a Joint Powers Authority that was formed in 2003. Its members are the County of Amador, the cities of Amador City, Ione, Jackson, Plymouth, and Sutter Creek, Amador County Unified School District (ACUSD), and Volcano CSD.<sup>697</sup> ACRA is empowered to plan, finance, acquire, construct, manage, and operate recreation programs and facilities in Amador County.

The Agency has a governing board of nine directors, as shown in Figure 32-1.

ACRA is managed by an executive director who oversees a maintenance supervisor and five other staff members. The executive director reports to the governing board monthly. Planning efforts include a recreation master plan, which was prepared in 2006, and a bi annual strategic plan update

ACRA is soft funded by discretionary member contributions of \$5.00 per person from each member entity. Not all members participate with member contributions— ACUSD contributes in kind with facility use, Volcano Community Services District does not contribute anything, and Ione has not made a contribution to ACRA for the past four years. The County chooses to participate with \$4.00 per capita; the City of Jackson contributions are almost at 100% of the requested amount. Jackson reduced contributions in 2009 when the economy entered the recession.

It was reported in the 2008 MSR that in FY 07 total revenues were \$350,275, total expenditures were \$278,974 and the Agency had \$7,331 in undesignated reserves at the end of FY 07, comprising three percent of annual expenditures. In other words, ACRA had less than one month of operating reserves. It was reported by ACRA that its budget since FY 07 has fluctuated from \$220,000 to \$350,000 in a given year. Because of uncertainty of revenues, it was reported that planning and delivery of park and recreation services is very challenging.<sup>698</sup>

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<sup>697</sup> ACRA, *JPA Amending Agreement*, September 28, 2004.

<sup>698</sup> Reported by Tracey Towner, Executive Director of ACRA.



**Figure 32-1: ACRA Governing Body**

<b>Amador County Recreation Agency</b>			
<b>Governing Body</b>			
	<b>Name</b>	<b>Agency</b>	<b>Position</b>
<i>Members</i>	Michael Vasquez	Amador City	Chairman
	Peter Amoruso	Plymouth	Vice Chairman
	Debbie Dunn	Volcano CSD	Clerk
	Richard Forster	Supervisor District 2	Director
	Brian Oneto	Supervisor District 5	Director
	Wayne Garibaldi	City of Jackson	Director
	Linda Rianda	City of Sutter Creek	Director
	Rev. Dan Epperson	City of Ione	Director
	Patrick Miller	ACUSD	Director
<i>Manner of Selection</i>	Members are appointed by the representing agencies.		
<i>Length of Term</i>	At the pleasure of the appointing body.		
<i>Meetings</i>	Date: second Wednesdays, 2p.m., Location: Board of Supervisors Chambers, 810 Court Street, Jackson, CA.		
<i>Agenda Distribution</i>	Posted at all City Halls and the County.		
<i>Minutes Distribution</i>	At meetings.		
<b>Contact</b>			
<i>Contact</i>	Administrator, Carolyn Fregulia		
<i>Mailing Address</i>	10877 Conductor Blvd., Suite 100, Sutter Creek, CA 95685.		
<i>Phone</i>	(209) 223-6349		
<i>Email/Website</i>	cfregulia@amadorgov.org, acra@amadorgov.org, www.goacra.org		

## MUNICIPAL SERVICES

ACRA provides direct recreational programs to all county residents, such as after school programs, cooking classes, craft classes, and various sports clubs. It provides park maintenance services directly to its own parks and by contract to County-owned parks. ACRA also leases River Pines Park from River Pines CSD and provides maintenance services there as well.<sup>699</sup>

Recreation services are provided at several different parks within the County and the fairgrounds during the summer and the school year. ACRA-maintained parks are located in Sutter Creek, Pioneer, Fiddletown, and River Pines. Both residents and non-residents may use the parks and facilities. ACRA also provides the service of posting flyers on bulletin boards throughout the County by request.

ACRA owns two parks, serves two County-owned parks, and one public utility district park. The Agency currently provides natural trails, picnic areas, restrooms, two little league fields, an 18-hole disc golf course, two softball fields, three playgrounds, two snack shacks and restroom facilities. ACRA operates a community center on Main Street in Jackson.

<sup>699</sup> Lease Agreement Regarding River Pines Park between Amador County, ACRA and River Pines Public Utilities District, 2007.

ACRA also has the use of school facilities to deliver services—basketball courts, volleyball courts, various classrooms, kitchens, and most fields.

The Agency reported that it is currently planning for two new parks, one of 17 acres in Pine Grove and one of 15 acres between Sutter Creek and Amador City.

Planned improvements countywide include a complete renovation and upgrade of River Pines Park, Sharkey Begovich Park, an upgrade of the Vet's Hall and a new restroom and snack shack facility at Pioneer Park. ACRA was also responsible for modernization of kitchen facilities, American Disability Act (ADA) access and upgraded facilities at Pine Grove Town Hall, Armory Hall in Volcano, and Lodge Hill in Plymouth.<sup>700</sup> All upgrades were completed with grant funding in 2011.

ACRA, its member agencies, and other providers maintain 7.2 park acres per 1,000 residents countywide. ACRA's adopted policy is to increase the park ratio in the County to 13.7 acres.<sup>701</sup>

The current park maintenance costs are estimated at \$250,000 per year for Pioneer, Fiddletown, Mollie Joyce Park, and Lions Park. Approximately \$150,000 of this amount represents in kind contributions from the local community. Mollie Joyce Park is a recent acquisition and River Pines Park is a recent lease. According to the Agency, this amount should be raised to meet the State standard of \$10,000 per acre. Considering recent and planned acquisitions, costs should increase to the amount of about \$500,000 per year.

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<sup>700</sup> ACRA, *Memo to Amador County Board of Supervisors, Prop 40 Project Recommendations*, April 17, 2007.

<sup>701</sup> ACRA, *Regional Recreation Master Plan*, 2006.

**Figure 32-2: ACRA Park Profile**

<b>Park and Recreation Service Configuration</b>				
<b>Service Configuration</b>				
Park Maintenance	Direct	Number of Parks Maintained	5	
Recreation	Direct	Number of Recreation Centers	NA	
<b>Service Adequacy FY 12</b>				
Parks per 1,000 pop <sup>1</sup>	7.2		Maintenance Cost/Acre FY 12	NP
Adopted Policy: 13.7 acres per 1,000 population, countywide				
<b>Park Acreage</b>				
Day Use Park	6.2		Neighborhood Parks	2
Special Use Areas	0		Community Parks	98
			Undeveloped	1.6
			Landscaped	0
<b>Park Name</b>	<b>Location</b>		<b>Condition</b>	<b>Acres</b>
Lions Park	Volcano Rd, Sutter Creek		Good	6.2
Fiddletown Park	Ostrom Rd, Fiddletown		Good	2
Pioneer Park	Buckhorn Ridge Rd, Pioneer		Good	22
Mollie Joyce Park	East Hwy 88, Pioneer		Good	76
River Pines Park	River Pines Community		Good	1.6
<b>Service Challenges</b>				
The Agency reported that soft funding is the number one constraint for providing park services to the service area.				
<b>Facility Needs/Deficiencies</b>				
There is not enough revenue to support the maintenance of the two new parks being planned. More than 175 acres (155 in Jackson, 15 in Pine Grove) of land awaiting park land development capital.				
<b>Facility Sharing</b>				
The Agency uses school facilities to deliver services. It also shares its own facilities when other agencies request it.				
<b>Developer Fees and Requirements</b>				
Development Impact Fees	\$8,760 per dwelling unit in Jackson and Sutter Creek; \$4,300 in the County, Plymouth and Amador City; \$3,284 in Ione.			
Land Dedication Requirement	Five acres per 1,000 residents.			
In-Lieu Fees	Fees are based upon the fair market value of land needed to meet the same ration of persons to acreage of parkland.			
Additional Fees	\$150 per new parcel map.			
Notes: (1) All provider's park acreage within Amador County per 1,000 residents according to the Department of Finance. (2) Maintenance costs exclude Mollie Joyce and River Pines Parks.				

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**AGENDA ITEM # 8**

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**TO:** ALL COMMISSIONERS, ALTERNATES  
**FROM:** ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER  
**SUBJECT:** REPORT OF THE LITTLE HOOVER COMMISSION -  
**DATE:** MEETING OF SEPTEMBER 21, 2017

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The Little Hoover Commission, after a year of study, released their Final Report on August 30, 2017, on Special Districts. The 78 page report, titled: "Special Districts: Improving Oversight & Transparency", is a culmination of a year-long study by the Commission that included two public hearings and two roundtable discussion forums. The report focuses on district oversight and transparency and has a special emphasis on healthcare districts as well as climate change.

There are twenty (20) final recommendations, eight (8) of which are directly related to LAFCO. They fall in the areas of governance, transparency and healthcare districts. Most notably, the Commission recommends a one-time infusion of grant funding by the Legislature to LAFCOs of \$1 - \$3 million, and recommends the Legislature curtail special legislation that either bypass LAFCO or divest LAFCO of authority.

In the report's cover letter to the Governor and State Legislators, Hoover Commission Chair Pedro Nava stated, "*As much as the Commission wanted to find a magic bullet to ensure these 2,000 districts were performing efficiently and effectively, it didn't. The LAFCO process may not be working as it could and should in every corner of the state, but special districts remain best served by local decision-making. To that end, the Commission recommends the Legislature curtail its practice of bypassing the local process. Additionally, the Commission offers a number of common-sense recommendations to help LAFCOs exercise their authority.*"

CALAFCO fully supports the final recommendations in the report, after having worked with the Commission and their staff for the past 14 months. All of the Hoover Commission's documents on this study and all of CALAFCO's correspondence and testimony to the Commission are posted on the CALAFCO website.

The full report is available and can be emailed to any commissioners who request it. The executive summary (8 pages) is attached for review and discussion.

Attachment:

Executive Summary, "*Special Districts: Improving Oversight & Transparency*", Little Hoover Commission, August 2017

# Executive Summary

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Special districts, the workhorses of public service delivery created by the California Legislature during the earliest days of statehood, represent the most common form of local government. They have prevailed through endless upheaval as California morphed from a state of rural open spaces into one of the world's most powerful economic engines and home to nearly 40 million people. Today special districts generate some \$21 billion in annual revenues and employ more than 90,000 local government workers.<sup>1</sup>

In 2016 and 2017, the Little Hoover Commission reviewed and analyzed California's 2,071 independent special districts and the State of California's role and responsibility in overseeing them.<sup>2</sup> The Legislature not only created special districts and enacted the practice acts by which they are governed, but it retained the power to create new districts and also to dissolve them. In the early 1960s, the Legislature had the foresight to develop a local oversight mechanism, Local Agency Formation Commissions (LAFCOs) tasked with bringing more rational planning practices and reining in inappropriate growth by considering local government boundary decisions. LAFCOs have the authority to initiate dissolutions and consolidations of special districts, although ultimately local voters have the final say. The process is slow -- intentionally slow according to some --and occasionally frustrated parties attempt to bypass the local process by taking issues directly to the Legislature. This tension, in part, prompted the Commission to update its 2000 review of special districts to consider whether the local oversight process works as intended or whether a different process or a greater role for the Legislature would be more effective.

The Commission's review broke new ground, but also revisited issues first identified in its May 2000 report, *Special Districts: Relics of the Past or Resources for the Future?* The 2000 report declared that California's expansive special district sector often amounted to a poorly overseen and largely invisible governing sector serving residents who know little about who runs them or

what they pay in taxes to sustain them. The Commission nearly two decades ago questioned the soundness of special districts' financial management and asked if their numbers might be pared back through consolidations. Yet Commissioners also acknowledged in their 2000 analysis that special districts provide Californians valuable services and are "physically closest to their communities." The Commission concluded that despite its range of criticisms, special districts should remain, in the end, local institutions best served by local decision-making.

In its newest review the Commission heard from some who still contend that special districts are ripe for consolidation and represent convoluted, dispersed, under-the-radar government. Frustrated with the local oversight process, various local special district issues percolated up into bills in the 2015-16 legislative session as the Commission began its study, potentially signifying that the current system of oversight fails to work as well as intended.

In this review, the Commission found special districts themselves could do a better job of telling their own story to overcome the stigma that they function as hidden government. During an advisory committee meeting, Chair Pedro Nava encouraged special districts to "tell your story." There are very few government entities in a position to let people know that they work directly for the public and that the taxes and fees they collect fund local services, he said.

In testimony, the Commission also learned that despite the perception that special districts continue to proliferate in California, the number of special districts has declined 5 percent since 1997, while the number nationally increased by 10 percent.<sup>3</sup> Thirty-three states have more special districts per capita than California. Despite frequent calls for dissolving or consolidating these local governments, special districts seem to have pluses that render them tolerable to those they govern and able to forestall movements to purge them or fold their work into city and county governments.

The Commission's 2016-2017 review delved into four primary arenas concerning special districts:

- Oversight of special districts, specifically, opportunities to bolster the effectiveness of Local Agency Formation Commissions (LAFCOs).
- The continued need for districts to improve transparency and public engagement.
- The frequently-controversial evolution of California's healthcare special districts, which in the 1940s and 1950s built a far-ranging system of hospitals that are mostly now gone due to a tremendous transformation in healthcare from hospitalization to preventive care.
- The urgency of climate change adaptation in California and the front-line roles that special districts, particularly water, wastewater treatment and flood control districts, play in preparing their communities and defending them from harm.

## Toward Higher-Quality Local Control

As in 2000, the Commission held fast to the concept that special districts are essentially local institutions. Whether their individual endeavors are praised or panned, special districts seemingly reflect the wishes of local voters. They also reflect the politics of LAFCOs, unique oversight bodies in each county with authority to judge their performances and recommend whether they should continue to exist. The Commission again determined that LAFCOs should be the leading voice on the status of special districts in California – and that they need more tools to do the job well.

Commissioners perplexed by the seemingly slow progress in dissolutions and consolidations at one point during the study asked if a lack of money prevented LAFCOs and special districts from initiating consolidations or conducting the mandated Municipal Service Reviews that can identify opportunities for improved efficiency in service delivery. A chorus of stakeholders suggested a small, one-time infusion of grant funding, tied to specified outcomes to ultimately improve efficiency and save taxpayer dollars, was indeed warranted. They also called for various statutory changes that could bolster the effectiveness of LAFCOs.

Clearly, special districts can be improved. Given the routine front-line services they provide, the historic climate challenges these districts face in keeping California stable, as well as the need to provide the best possible healthcare to millions of residents, LAFCOs and the state have obligations to see that they succeed. To that end, the Commission offers 20 recommendations to guide the Legislature and Governor going forward. The first eight of those recommendations address the basic structure and governing issues revolving around special districts:

***Recommendation 1: The Legislature and the Governor should curtail a growing practice of enacting bills to override LAFCO deliberative processes and decide local issues regarding special district boundaries and operations.***

The Legislature and Governor have reason to be frustrated with slow and deliberative LAFCO processes. But these are local institutions of city, county and special district members often better attuned to local politics than those in the State Capitol. Exemptions where the Legislature gets involved should be few, and in special cases where the local governing elites are so intransigent or negligent – or so beholden to entrenched power structures – that some higher form of political authority is necessary.

***Recommendation 2: The Legislature should provide one-time grant funding to pay for specified LAFCO activities, to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes. Funding should be tied to process completion and results, including enforcement authority for corrective action and consolidation.***

The Commission rarely recommends additional funding as a solution. However, a small one-time infusion of \$1 million to \$3 million in grant funding potentially could save California taxpayers additional money if it leads to streamlined local government and improved efficiency in service delivery. This funding could provide an incentive for LAFCOs or smaller districts to start a dissolution or consolidation process. Participants in the Commission's public process suggested the Strategic Growth Council or Department of Conservation could administer this one-time funding.

**Recommendation 3: The Legislature should enact and the Governor should sign SB 448 (Wieckowski) which would provide LAFCOs the statutory authority to conduct reviews of inactive districts and to dissolve them without the action being subject to protest and a costly election process.**

There has been no formal review to determine the number of inactive special districts – those that hold no meetings and conduct no public business. Rough estimates gauge the number to be in the dozens. Simplifying the LAFCOs’ legal dissolution process would represent a significant step toward trimming district rolls in California. The Commission supports SB 448 and encourages the Legislature to enact the measure and for the Governor to sign the bill.

**Recommendation 4: The Governor should sign AB 979 (Lackey), co-sponsored by the California Special Districts Association and the California Association of Local Agency Formation Commissions. The bill would strengthen LAFCOs by easing a process to add special district representatives to the 28 county LAFCOs where districts have no voice.**

The Cortese-Knox-Hertzberg Reorganization Act of 2000 (AB 2838, Hertzberg) provided the option to add two special district members to county LAFCOs to broaden local governing perspectives. Nearly two decades later, 30 counties have special district representatives on their LAFCOs alongside city council members and county supervisors. This change provides LAFCOs a more diverse decision-making foundation and stronger finances. But 28 counties, mostly in rural California have not added special district representatives to their LAFCO governing boards, citing scarce resources. Presently, a majority of a county’s special districts must pass individual resolutions within one year supporting a change. This has repeatedly proved itself a formidable obstacle to broadening the outlook of local LAFCOs. AB 979 (Lackey) would allow a simple one-time election process where districts could easily – and simultaneously – decide the question.

**Recommendation 5: The Legislature should adopt legislation to give LAFCO members fixed terms, to ease political pressures in controversial votes and enhance the independence of LAFCOs.**

The California Association of Local Agency Formation Commissions (CALAFCO) testified on August 25, 2016, that

individual LAFCO members are expected to exercise their independent judgment on LAFCO issues rather than simply represent the interests of their appointing authority. But this is easier said than done when representatives serve on an at-will basis. The CALAFCO hearing witness said unpopular votes have resulted in LAFCO board members being removed from their positions. Fixed terms would allow voting members to more freely exercise the appropriate independence in decision-making.

**Recommendation 6: The Legislature should convene an advisory committee to review the protest process for consolidations and dissolutions of special districts and to develop legislation to simplify and create consistency in the process.**

Complicated and inconsistent processes potentially impact a LAFCO’s ability to initiate a dissolution or consolidation of a district. If 10 percent of district constituents protest a LAFCO’s proposed special district consolidation, a public vote is required. If a special district initiates the consolidation, then a public vote is required if 25 percent of the affected constituents protest. Additionally, the LAFCO must pay for all costs for studies and elections if it initiates a consolidation proposal, whereas the district pays these costs if it proposes or requests the consolidation. Various participants in the Commission’s public process cautioned against setting yet another arbitrary threshold and advised the issue warranted further study before proposing legislative changes. They called for more consistency in the process.

**Recommendation 7: The Legislature should require every special district to have a published policy for reserve funds, including the size and purpose of reserves and how they are invested.**

The Commission heard a great deal about the need for adequate reserves, particularly from special districts with large infrastructure investments. The Commission also heard concerns that reserves were too large. To better articulate the need for and the size of reserves, special districts should adopt policies for reserve funds and make these policies easily available to the public.

**Recommendation 8: The State Controller’s Office should standardize definitions of special district financial reserves for state reporting purposes.**



Presently, it is difficult to assess actual reserve levels held by districts that define their numbers one way and the State Controller’s Office which defines them another way. The State Controller’s Office is working to standardize numbers following a year-long consultation with a task force of cities, counties and special districts. To improve transparency on reserves, a subject that still eludes effective public scrutiny, they should push this project to the finish line as a high priority.

## **Improving Transparency and Public Involvement**

Because there are thousands of special districts in California, performing tasks as varied as managing water supply to managing rural cemeteries, the public has little practical ability to ascertain the functionality of special districts, including the scope of services these local districts provide, their funding sources, the use of such funds and their governance structure. Although publicly elected boards manage independent special districts, constituents lack adequate resources to identify their local districts much less the board members who collect and spend their money.

The Commission saw a number of opportunities for special districts to do a better job communicating with the public, primarily through improvements to district websites and more clearly articulating financing policies, including adopting and making publicly available fund reserve policies. Existing law requires special districts with a website to post meeting agendas and to post or provide links to compensation reports and financial transaction reports that are required to be submitted to the State Controller’s Office. The State Controller’s Office – despite having a software platform from the late 1990s – attempts to make all the information it receives as accessible as possible.

Many special districts already utilize their websites to effectively communicate with their constituents and voluntarily follow the nonprofit Special District Leadership Foundation’s transparency guidelines and receive the foundation’s District Transparency Certificate of Excellence. But often, these districts are the exception and not the rule. The Commission makes three recommendations to improve special district transparency and to better engage the public served by the districts:

***Recommendation 9: The Legislature should require that every special district have a website.***

***Key components should include:***

- ***Name, location, contact information***
- ***Services provided***
- ***Governance structure of the district, including election information and the process for constituents to run for board positions***
- ***Compensation details – total staff compensation, including salary, pensions and benefits, or a link to this information on the State Controller’s website***
- ***Budget (including annual revenues and the sources of such revenues, including without limitation, fees, property taxes and other assessments, bond debt, expenditures and reserve amounts)***
- ***Reserve fund policy***
- ***Geographic area served***
- ***Most recent Municipal Service Review***
- ***Most recent annual financial report provided to the State Controller’s Office, or a link to this information on the State Controller’s website***
- ***Link to the Local Agency Formation Commission and any state agency providing oversight***

Exemptions should be considered for districts that fall under a determined size based on revenue and/or number of employees. For districts in geographic locations without reliable Internet access, this same information should be available at the local library or other public building open and accessible to the public, until reliable Internet access becomes available statewide.

Building on this recommendation, every LAFCO should have a website that includes a list and links to all of the public agencies within each county service area and a copy of all of the most current Municipal Service Reviews. Many LAFCOs currently provide this information and some go further by providing data on revenues from property taxes

and user fees, debt service and fund balance changes for all the local governments within the service area. At a minimum, a link to each agency would enable the public to better understand the local oversight authority of LAFCOs and who to contact when a problem arises.

***Recommendation 10: The State Controller’s Office should disaggregate information provided by independent special districts from dependent districts, nonprofits and joint powers authorities.***

Over the course of this study, the Commission utilized data available on the State Controller’s website to attempt to draw general conclusions about independent special districts, such as overall revenues, number of employees and employee compensation. Presently, it is difficult to do this without assistance as information for independent districts is mixed with various other entities.

***Recommendation 11: The California Special Districts Association, working with experts in public outreach and engagement, should develop best practices for independent special district outreach to the public on opportunities to serve on boards.***

The Commission heard anecdotally that the public does not understand special district governance, does not often participate or attend special district board meetings and often does not know enough about candidates running to fill board positions. Often, the public fails to cast a vote for down-ballot races. Two county registrars provided the Commission information that showed in many instances those who voted for federal or statewide offices did not vote for local government officials at the same rate, whether they were city council positions, special district positions or local school or community college district positions.

## **What is the Role for Healthcare Districts?**

The Commission found in its review that special districts were as diverse as the services provided and the millions of Californians served. To gain deeper insight on one type of local government service provider, the Commission took a closer look at an often-controversial group: healthcare districts that no longer operate hospitals. These entities struggle to explain their relevance within the rapidly evolving healthcare industry,

which emphasizes preventative care over hospitalization. Amid uncertainty about the future of the Affordable Care Act, many of these districts claim they are carving out new roles in preventative care. Yet the Legislature, local grand juries, LAFCOs and healthcare analysts continue to question their relevance and need to exist. Presently, just 37 of 79 California healthcare districts operate 39 hospitals, mostly in rural areas with few competitors or other alternatives – and few suggest the need to dissolve those districts.

Controversy tends to afflict districts in former rural areas that became suburbanized in recent decades and grew into competitive healthcare markets. The 2015-16 legislative session included a rash of legislation that considered whether to force district dissolutions or modify district boundaries – even though those decisions are the responsibility of LAFCOs. Nonetheless, most healthcare districts officials continue to maintain they are more flexible than counties in defining priorities and are pioneering a new era of preventative care under the umbrella of “wellness.” Officials say their districts are misunderstood by critics who lack understanding about how much the healthcare landscape is changing. They also say that local voters generally support their local missions and how they allocate their share of property taxes in the community.

As part of its special districts review, the Commission convened a two-hour advisory committee with experts to shed light on healthcare districts. During the course of the Commission’s study, the Association of Healthcare Districts convened a workgroup to develop recommendations, in part, in response to legislative scrutiny. These recommendations were considered and discussed during the November advisory committee meeting. Participants analyzed whether counties or healthcare districts are best positioned as local and regional healthcare providers and discussed the role of LAFCOs in consolidating, dissolving or steering healthcare districts toward more relevant roles. During the meeting Commissioners also pushed districts to share and adopt best practices and define better metrics to measure what they are accomplishing with their shares of local property taxes. Three Commission recommendations arose from the discussion as well as numerous interviews with experts during the study:

**Recommendation 12: The Legislature should update the 1945 legislative “practice acts” that enabled voters to create local hospital districts, renamed healthcare districts in the early 1990s.**

Experts widely agree that statutory language in the acts no longer reflects the evolution of healthcare during the past seventy years, particularly the shift from hospital-based healthcare to modern preventive care models.

**Recommendation 13: The Legislature, which has been increasingly inclined to override local LAFCO processes and authority to press changes on healthcare districts, should defer these decisions to LAFCOs.**

LAFCOs have shown successes in shaping the healthcare district landscape and should be the primary driver of change. Given the controversies over healthcare districts, the California Association of Local Agency Formation Commissions and LAFCOs should be at the forefront of studying the relevance of healthcare districts, potential consolidations and dissolutions of districts. To repeat a theme of Recommendation 1, the Legislature should retain its authority to dissolve healthcare districts or modify boundaries, but this authority should be limited to cases in which local political elites are so intransigent or negligent – or so beholden to local power structures – that some form of higher political authority is deemed necessary.

**Recommendation 14: The Association of California Healthcare Districts and its member districts should step up efforts to define and share best practices among themselves.**

A Commission advisory committee meeting discussion clearly showed that not enough thought or interest has been assigned to sharing what works best in rural, suburban and urban areas among members. The association should formally survey its members and collectively define their leading best practices and models for healthcare, as well as guidelines to improve the impacts of grantmaking in communities.

## Front-line Roles for Climate Change Adaptation

At the Commission’s August 25, 2016, hearing, Chair Pedro Nava asked a simple question of special district attendees vigorously defending their need for robust reserve funds:

How are they assessing future climate change impacts when amassing reserves for long-range infrastructure spending? That question, rooted in the Commission’s 2014 climate adaptation report *Governing California Through Climate Change*, became the genesis of a deeper exploration of awareness of and preparations for climate change among special districts. In an October 27, 2016, hearing focused on special districts efforts to adapt to climate change, the Commission learned that:

- Special districts, even while vastly outnumbering cities and counties in California, have generally not participated at the levels of cities and counties in the state’s emerging climate adaptation information gathering and strategizing. Often that is because they lack land-use authority. Nonetheless, it is critical that their experienced voices be at the table.
- Many larger infrastructure-intensive water, wastewater and flood control districts stand at the forefront nationally in preparing for the varying, changing precipitation patterns – too much or too little water – at the heart of anticipated climate change impacts.

The Commission found it encouraging that many special districts are reducing the need for imported water by diversifying supplies and producing vastly more recycled water. Districts also are steering more stormwater runoff in wet years into groundwater recharge basins for use in dry years. The actions that all agencies must eventually take are already being done by some. The Commission agreed that these leading-edge actions and infrastructure spending strategies represent models for other districts to follow. Accordingly, the Commission makes six recommendations focused on climate change adaptation:

**Recommendation 15: The Legislature should place a requirement that special districts with infrastructure subject to the effects of climate change should formally consider long-term needs for adaptation in capital infrastructure plans, master plans and other relevant documents.**

Most special districts, especially the legions of small districts throughout California, have their hands full meeting their daily responsibilities. Many have few resources and little staff time to consider long-range issues, particularly those with the heavy uncertainty of

climate change adaptation. Making climate change a consideration in developing capital infrastructure plans and other relevant planning documents would formally and legally elevate issues of adaptation and mitigation, especially for districts where immediate concerns make it too easy to disregard the future.

***Recommendation 16: The California Special Districts Association (CSDA), in conjunction with its member districts, should document and share climate adaptation experiences with the Integrated Climate Adaptation and Resilience Program's adaptation information clearinghouse being established within the Governor's Office of Planning and Research (OPR). Similarly, CSDA and member districts should step up engagement in the state's current Fourth Assessment of climate threats, a state research project designed to support the implementation of local adaptation activities. The CSDA also should promote climate adaptation information sharing among its members to help districts with fewer resources plan for climate impacts and take actions.***

The OPR clearinghouse promises to be the definitive source of climate adaptation planning information for local governments throughout California. At the Commission's October 27, 2016, hearing, an OPR representative invited more district participation in state climate adaptation processes. It is critical that special districts and their associations assume a larger participatory role – both within state government and among their memberships – to expand the knowledge base for local governments statewide.

***Recommendation 17: The state should conduct a study – by either a university or an appropriate state department – to assess the effect of requiring real estate transactions to trigger an inspection of sewer lines on the property and require repairs if broken.***

The responsibility to safeguard California and adequately adapt to climate change impacts falls on every resident of California. This begins at home with maintenance and upgrading of aging sewer laterals. Requiring inspections and repairs during individual property transactions is an optimum way to slowly rebuild a region's collective wastewater infrastructure in the face of climate change. At the community level, repairs will help prevent excess stormwater during major climate events from overwhelming wastewater systems and triggering sewage

spills into public waterways. The Oakland-based East Bay Municipal Utility District has instituted an ordinance that requires property owners to have their private sewer laterals inspected if they buy or sell a property, build or remodel or increase the size of their water meter. If the lateral is found to be leaking or damaged, it must be repaired or replaced. The state should consider implementing this policy statewide.

***Recommendation 18: State regulatory agencies should explore the beginnings of a new regulatory framework that incorporates adaptable baselines when defining a status quo as climate impacts mount.***

With climate change what has happened historically will often be of little help in guiding regulatory actions. State regulations designed to preserve geographical or natural conditions that are no longer possible or no longer exist already are creating problems for special districts. Wastewater agencies, for example, face conflicting regulations as they divert more wastewater flows to water recycling for human needs and less to streams historically home to wildlife that may or may not continue to live there as the climate changes. While it is not easy for regulators to work with moving targets or baselines, climate change is an entirely new kind of status quo that requires an entirely new approach to regulation.

***Recommendation 19: The California Special Districts Association, and special districts, as some of the closest-to-the-ground local governments in California, should step up public engagement on climate adaptation, and inform and support people and businesses to take actions that increase their individual and community-wide defenses.***

Special districts are uniquely suited to communicate with and help prepare millions of Californians for the impacts of climate change. Nearly all have public affairs representatives increasingly skilled at reaching residents through newsletters, social media and public forums. District staff grapple constantly with new ways to increase their visibility. Many will find they can build powerful new levels of public trust by helping to prepare their communities for the uncertainty ahead.

***Recommendation 20: The California Special Districts Association and special districts should lead efforts to seek and form regional partnerships to maximize climate adaptation resources and benefits.***

Water, wastewater and flood control districts are already bringing numerous agencies to the table to pool money, brainpower and resources for big regional projects. The East Bay Municipal Utility District has arrangements with many Bay Area and Central Valley water agencies to identify and steer water to where it is most needed for routine demands and emergencies alike. The Metropolitan Water District and Sanitation Districts of Los Angeles County also increasingly pool their joint resources to steer more recycled water to groundwater recharge basins for dry years. Likewise, the Santa Clara Valley Water district and other state and federal agencies are collectively planning and funding 18 miles of levees to protect the region from sea level rise. These partnerships among special districts and other government agencies clearly hint at what will be increasingly necessary as climate impacts begin to mount.

# AMADOR LAFCO



## LOCAL AGENCY FORMATION COMMISSION

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P.O. BOX 22-1292 ♦ SACRAMENTO, CA 95822  
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June 27, 2017

The Honorable Governor Edmund G. Brown, Jr.  
State of California  
State Capitol Building  
Sacramento, CA 95814

### RE: Request to Sign AB 464 (Gallagher) Local Government Reorganization

Dear Governor Brown:

The Amador Local Agency Formation Commission (LAFCo) respectfully requests that you sign **Assembly Bill 464** (Gallagher) which is now before you for action. **AB 464** makes necessary technical changes to existing LAFCo law to solidify the current practice of LAFCos approving annexations of areas already being served by a local agency through an out of area service agreement (Government Code §56133).

As a result of a court decision in 2014 in the case of *City of Patterson v. Turlock Irrigation District*, all future annexations of an area receiving services through an approved out of area service agreement will not be valid. What began as a local issue has now become a critical statewide concern. This bill seeks to remedy that problem by ensuring that, within certain conditions, LAFCos can continue to evaluate applications which include the annexation of territory where services are already being provided via an out of area service agreement. Further, it allows for common sense boundary alignments and more predictable growth planning.

By allowing the annexation of these areas, **AB 464** also ensures the people paying for and receiving the services can participate in elections and potentially serve on the governing board of the service provider.

It is important to note that this bill does not change the current rights of a city or district to oppose an annexation, nor does it change any protest provisions in current law. It simply ensures the ability for LAFCos to continue the practice of common sense boundary oversight for service providers. As there are many pending annexations throughout the state that are associated with previously approved out of area service extensions, this legislation is critical to the successful annexation of these areas.

The bill has had unanimous support in both the Assembly and Senate, and makes necessary corrections to existing law to allow for the ongoing annexation of areas that may already be receiving services. As **AB 464** is good public policy, we respectfully urge you to sign **AB 464**.

Yours sincerely,

Patrick Crew  
Chairman, Amador County LAFCO

cc: Honorable James Gallagher, Assembly member  
Tom Dyer, Chief Deputy Legislative Secretary to the Governor  
Pamela Miller, California Association of Local Agency Formation Commissions

## Districts In The News

Home (<http://www.csd.net/>) » Districts In The News (<http://www.csd.net/category/districts-in-the-news/>) » **LAFCO and Special Districts: A Special Relationship Between Two Unique Entities**

### LAFCO and Special Districts: A Special Relationship Between Two Unique Entities

JULY 11TH, 2017 | TAGS: LAFCO ([HTTP://WWW.CSDA.NET/TAG/LAFCO/](http://www.csd.net/tag/lafco/)) | BY PAMELA MILLER, EXECUTIVE DIRECTOR CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS ()



(<http://www.csd.net/lafco-special-districts-special-relationship-two-unique-entities/handshake/>) There's been a lot of conjecture lately in Sacramento about Local Agency Formation Commissions (LAFCOs) and special districts. All of us find ourselves under the legislative spotlight given the recent interest by the Little Hoover Commission (<http://www.lhc.ca.gov/>) (as a follow-up to their 2000 report) and a rash of legislative bills in 2015 and 2016 relating to LAFCO and various special districts.

I find myself more frequently answering questions such as, "What do LAFCOs do?"; "Why don't LAFCOs take more action to consolidate districts?"; and "What kind of relationship exists between LAFCOs and special districts?"

The reality is that LAFCOs and special districts share more commonalities than differences. While the creation mechanisms differ, both are created for specific purposes. Both focus on providing services at the local level and work directly with local stakeholders. And, perhaps most importantly, both share a mission to ensure the effective and efficient provision of local services to the communities they serve (noting this is not the only mission of LAFCO).

For those of you who are unfamiliar with LAFCO, allow me to take a brief moment to introduce us. LAFCOs were created by the state Legislature in 1963 (under the provisions of the Knox-Nisbet Act (<http://www.sdlafco.org/document/Government%20code%20guides/1978%20Government%20Code-Knox-Nisbet%20Act%20-%20Updated%20April%201978.pdf>)) as a result of recommendations from then Governor Pat Brown's Commission on Metropolitan Area Problems. The Commission was charged with studying urban sprawl and its statewide effects and was formed by the Governor out of growing concern for the post-WWII population and housing boom in California. This boom led to a large number of problems, not the least of which included poorly planned cities due to rapid growth and a scramble to finance and extend government services to meet the increased service demands, the proliferation of freeway suburbs, city annexations wars, costly duplication of services, and the hasty conversion of agricultural land.

#### So, what does LAFCO do?



(<http://www.csd.net/lafco-special-districts-special-relationship-two-unique-entities/calafco-logo/>) The original charge of LAFCO was very limited in scope: to review and approve or disapprove proposals for incorporations and the creation of special districts. However, over the past 54 years, the role, scope, and scale of services provided by LAFCOs have evolved greatly. Today, for example, LAFCOs process city and district annexations and detachments, district consolidations, dissolutions and mergers, city consolidations and disincorporations; address the activation and/or divestiture of district latent services or powers; conduct sphere of influence (SOI) updates and municipal service reviews (MSRs) of special districts and cities; and review and authorize the extension of services by special districts and cities outside existing jurisdictional boundaries, among many other things. Many local agencies look to their LAFCO to facilitate discussions on things like shared services opportunities, property tax exchange agreements, or, more recently, the formation of Sustainable Groundwater Management Agencies (SGMA).